



**CLINTON:**  
The bombshell  
and the bombing



**DIANA:**  
A lasting  
legacy



CANADA'S WEEKLY NEWSMAGAZINE

# Maclean's

AUGUST 31, 1998

## Judgment Day

The Supreme Court  
rewrites the rules  
in the fight for  
Canada's future

\$3.95



6 20058 70001 3 35

<http://www.macleans.ca>

As refined as it becomes,  
performance remains  
the dominant gene.



No Red gear. Select Model. Insurance 1-800-667-6679. BMW car with color of steel fabric.

\*BMW Driving, Inc. "BMW" the BMW logo and "The Ultimate Driving Experience" are trademarks of BMW AG, used under license by BMW Group of America, Inc.

The new BMW 3 Series enhances the sense of space and luxury. Yet advanced torque, agility and responsiveness are powerful reminders of its mighty ancestors. The long-awaited BMW 3 Series is everything you loved about the previous generation. Simply more so. The interior is larger, more comfortable and graced with increased ambience. The re-designed exterior is absolutely stunning. (Who could resist those eyes?) At its core, the 3 Series is engineered to perform stronger and smarter than ever. Cornering Brake Control, the

Double VANOS engine and other innovations make for a safe, dynamic and intensely powerful drive. From aesthetics to engineering, every 3 Series refinement exhilarates. An evolution that honours the BMW lineage. (Also evolved, by the way, is the addition of no-charge scheduled maintenance for three years or 60,000km.)



The Ultimate Driving Experience.™

**ERICSSON** 

© 2006 Blackwell Publishing Ltd, *Journal of Internal Medicine* 260: 103–110

CANADIAN  
WEEKLY  
NEWSMAGAZINE

AUGUST 23 1998 OCT 11 1998

## FEDERAL RESERVE BANK OF NEW YORK

**CAPITULO 10**

COVFE / CANADA 14

**CAPÍTULO 31**

Proton Manning is facing a divide in the Reform party over their long-standing policy of refusal to partake in the EU's pension plan

246

**summary 36**  
 Finance Minister Paul Martin is an upholder of economic liberalism to dampen hopes that Ottawa will be opening its arms.

SPECIAL REPORT 45

HEALTH INSURANCE

A chewable pill for children with asthma: a Canadian asthma expert in the Norwegian Arctic in search of clues about the deadly flu of 1918-2019, new research costs count on hormone replacement therapy

PEOPLE 39

FIRM 30

Four Friends & Neighbors and Stars of Beverly Hills are refreshingly smart, original, and comical.

TELEVISION 389

## ANTHONY NELSON-JAMES 11

**BOSS LUVIN' 2U**

PETER G. NEWMAN

[illegible]

© 2004 Microsoft. All rights reserved. Microsoft, the Microsoft Dynamics logo, and "Your business. Your way." are either registered trademarks or trademarks of Microsoft Corporation in the United States and/or other countries.

## 14

As the nine judges on Canada's Supreme Court issued their historic and unanimous decision setting new ground rules for the sovereignty debate, they brought clarity to old questions, raised new ones—and set the stage for a new phase in the country's most contentious dispute.



## 24 A bombshell and a bombing



With CanWest Global's \$350-million deal to acquire 11 new television channels, chairman Iqbal Asger comes closer to achieving his dream of a national network.



A year after her tragic death, Diana, Princess of Wales, is a force to be reckoned with. Her memory lives on in the campaign to change the monarchy in her charades—and especially in her heartthrob son Prince William.

**Journal of Community Development**

# From The Editor

## Rare clarity and civility



**M**ercifully, there was one day of emotional clarity and civility in the constitutional debate. That day was not Friday—when Lucien Bochar, Jean Chrétien and the other suspects waited in with their petty postures. No, the rare adult case on Thursday, Aug. 26, when the Supreme Court brought down its long-awaited judgment on the Quebec secession referendum, demonstrating in the process that reasonable men and women can confront the issue with poise and respect.

Setting aside the usual spectacle of a nation establishing the rules for its own breakup, the court produced some eminently sensible guidelines: Quebec has a right to take part out of the 131-year-old federation unilaterally; Quebec, not being a victim of "false subjugation" or as "oppressed people," has no automatic right to self-determination under international law; a successful independence referendum has to have "a clear majority on a clear question"; negotiations with the rest of Canada would be "necessary" in the face of "a clear expression of a clear majority of Quebecers"; and a constitutional amendment would be required.

The effect of all of this is that Quebec's separatist government likely will be unable to get away again with the kind of waffling question it has been put to in the elections, based on the assumption of sovereignty association with the rest of Canada. Nor would the premier have the moral authority to go running off to Paris or international bodies to demand recognition of an independent Quebec that was declared unilaterally. Bochar and Chrétien's clattering charade made much of the breakthrough on the secession issue, pointing out that the federal government—Jean Pierre Trudonch to Brian

Milbray's to Chrétien's—has always maintained a law no roadster to separate the breakup of Canada. Now, in effect, it will. But what the separatists overlook is that the negotiations, involving nine provinces and Ottawa, would be protracted and messy. Quebec would have to course in shame of the national debt, be prepared to establish its own currency and contend with fellow citizens—including aboriginal people—who desired allegiance to the federation.

The Supreme Court's unanimous decision made an attempt to move the debate to higher ground. In unusually accessible language that should become required reading in all schools, the justices reminded us of our common roots, and how it was reformers in Canada West who joined with Esau's Tachi and John A. Macdonald in 1867 to pursue a federal form of government. Without that agreement, they point out, neither the representatives from Canada East, nor the Atlantic, would have joined in. The principles of federalism, including provisions for the French language and culture, allowed minority groups to pursue collective goals. Indeed, the justices write, the very existence of Quebec as a political unit "was one of the essential reasons for establishing a federal structure for the Canadian union in 1867." Now, in the words of the judgment, "it hardly seems surprising that our national movement, nonetheless as an early project, could be vigorously requested along what are now the provincial boundaries of Quebec." In short, if Canada breaks up, it will be with a bang, not a whimper.

*Robert Lewis*

## Newsroom Notes:

### The week that was

**F**or Washington Bureau Chief Andrew Phillips, it was an extraordinary seven days in which the President of the United States testified to a grand jury about his personal conduct; launched a surprise attack against several respected operations in Afghanistan and Sudan; and made two addresses to the nation—one about his as-



**Binnie (left), Gauthier, Leveson and Deschamps** in the Supreme Court, October 1999

life and one about his air strikes. An eight-page package on Bill Clinton's case began on page 24. Meanwhile, in Ottawa, Senior Writer John Gidycz reported on the uprising by Reform MPs against Preston Manning,

while Ottawa Editor Bruce Wallace wrote the main cover story on the historic Supreme Court decision on Quebec independence (page 18). Contributing Editor Mary Jansen dissected the judgment, and Montreal Bureau Chief Brenda Brunsell weighed the reaction to it in rural Quebec. And in London, Bureau Chief Barry Cline filed a special report on the first anniversary of the death of Diana, Princess of Wales (page 44). Cline was struck by the changed attitude of the Royal Family. "If they had shown her the same affection when she was alive," he says, "a lot of anguish might have been avoided."



Is everything really this big in the United States?



You be the judge

When you travel in the States, make reservations at any of over 140 Embassy Suites® locations. You'll agree, a little more room makes a big difference. Every Embassy Suites hotel provides a spacious, two-room suite for relaxation. You'll also enjoy complimentary evening champagne, an open stream for rejuvenation, and a free, cooked-to-order breakfast, all backed by a 100% satisfaction guarantee. When traveling in Canada, consider our Canadian properties located in Niagara, St. Catherine's and Toronto - Markham. Next time you make hotel reservations in the U.S., we won't just meet your expectations, we'll exceed them. After all, everyone can relax when there's extra space to spread out.



**EMBASSY SUITES®**

What a difference a stay makes.™

[www.embassy-suites.com](http://www.embassy-suites.com)  
1-800-EMBASSY

## Corporate intrusion

I had just applied to Maritime Tel and Tel Mobility for service when I read your article on questionable corporate data collecting ("The data game," Cover, Aug. 13). In my application for a mobile phone, I was asked if I owned my home, my mobility as well as my car and insurance number. When I refused to provide any of the information, I was told by the clerk, in a rather back-handed tone, that they could find all about me by simply using my credit card number. I was appalled, angry and caught, for I threatened to deny my application unless I provided answers to all their questions. It is almost impossible to comprehend the power that we are giving to such corporations. It is my opinion that corporate morality is founded in greed, so I find your article particularly scary.

David Gates  
Port Williams, N.S.

The information contained in your article regarding the Air Miles reward program and the Loyalty Group was inaccurate, misleading and unfair to our company, our customers and your readers. The Air Miles reward program is very concerned about the privacy of collector information and we fervently protect it. Air Miles' sponsors cannot look at one another's data, nor do they exchange detailed third-party customer information. Blackboard Video does not disclose any information about an individual's viewing preferences with any third-party company, including the Air Miles program. As well, the LCHD does not disclose any details about an individual's purchases with any third party, including the Air Miles program. Half Brothers is no longer a sponsor of the Air Miles program. Half Brothers and the Bank of Montreal do not share personal customer data. In fact, the Bank of Montreal

has not and never would disclose the name of their Gold MasterCard holders to any third-party company. The basic information that we have about collectors is used to create communications and activities that are relevant to specific households. This reduces the amount of irrelevant mail that collectors receive. Collectors can choose at any time to stop receiving special Air Miles' customer notices and offers. Fewer than 0.1 per cent of our collectors have made this request since the program's start in 1993. We have developed trusting relationships with all loan of Canadian households because we offer true value and consistently protect the privacy of customer information. It was disappointing that your article did not present the correct facts, nor did it present your readers and our collectors with a balanced point of view.

Craig Colbourne,  
President and CEO,  
The Loyalty Group,  
Toronto



## Sad facts

Although "Teenagers and deep depression" (The Basic, recent Aug. 13) brings up some interesting aspects of our society, it is never a person's bank or his selfless love of depression. Depression is a very real, highly treatable illness, one that involves a biochemical imbalance in the brain. It is not a matter of a person feeling sorry for himself, nor having reasons to do or not do things properly. It is not a sign of weakness or a lack of self-control. Long-term patients should be told to stop that silly coughing. Those with Crohn's disease would be told to stop going to the wash room so often.

Brian Stephens  
Windsor, Ont.

## Substandard

The ink was barely dry on Anthony Wilson-Smith's lecture about the lack of ethics in journalism ("The conflicts of journalism," *Breitbart*, Aug. 3) when Maclean's news or contributing editor presented the proof in the pudding: "A treaty that threatens the national agenda," *The Nation's Business*, Aug. 13. "Every page in journalism would benefit if media institutions put aside their differences long enough to agree on a

## Alleviating symptoms

What the Canadian Mental Health Association were pleased to see your comprehensive and sensitive article dealing with the issue of mental illness ("Unwell and untreated," *Health*, Aug. 10). One of the most significant factors in aggravating the symptoms of mental illness is stress. The lack of sound information relating to this illness on the part of the public, and the consequent attitudes of employers, are very conducive to stress among the employees. It is hoped that such concise information as you have provided will help in improving attitudes.

Brian Donaghy,  
The Public Awareness  
Initiative Program,  
CMAA,  
Saskatoon

industry-wide standards of behavior," Wilson-Smith wrote. In its recent issue, Maclean's showed how surely it needs such standards. Peter C. Newman's flawed assessment of the Nagia Treaty provisions provide a stark book case in low standards for your journalists to write. The Nagia Treaty represents the long overdue settlement of a legal obligation recognized by Canada's Supreme Court and Constitution and a "form of restitution for past wrongs." Newman also proves Wilson-Smith's point that "there will never be a way to resolve internal bad faith in journalism," which has irretrievably weakened the credibility of one of the most sacred of First Nations symbols, the eagle feather.

Wesley Barker  
Director of communications,  
Assembly of First Nations,  
Ottawa

In the hysteria following the Nagia's and Delgamuoch land-claim decisions in British Columbia I am surprised that no one concerned seems to be able to keep in mind the most important fact, the province's natives never ceded their territory by treaty or military conquest and therefore are the right owners under international law. "We" are not "bringing our country back from ourselves," as Peter C. Newman suggests, but paying for what was stolen. British Columbia's colonial government apparently thought that the natives would simply vanish and that its argument that British Columbia was unoccupied during European settlement would stand up over time. History has proven them wrong, as will the shrill voices of the politicians and timber leaseholders, who insist on claiming rights that don't exist.

Lee Shotton,  
Calgary

## THE MAIL

### Undefended border

I find it hard to believe that anyone who has an opportunity to see Canada would choose to leave the best country in the world to live in the United States, where greed, poverty and violence run amok ("Trouble on the border," *World*, Aug. 3). I know several individuals who left the United States and immigrated to Canada years ago, and are very happy with that choice, with no plans to return. I do not know any one who plans to immigrate to the United States. Perhaps that border business is simply an attempt to bolster U.S. politicians by making U.S. citizens believe that Canada was not to be trusted.

Gerhard Phlegel  
Poultice, B.C.

### New world threat

Although the new ratification of the Multilateral Agreement on Investment, Peter C. Newman's assessment of the reasons Canada should defend its borders from the millionaires' newly spawned aggression—multinational corporations—is a "Get ready for the rubik's cube economy." (*The Nation's Business*, Aug. 20). Why then does he suggest globalisation is inevitable? Only 50 years ago, the battle against rampant imperialism was fought between governments to prevent global domination by a powerful and ruthless few. It was no longer then to serve one's country in the fight to serve one's foreign dictator's push for endless destiny. Unfortunately, the current enemy is much less and has already inflicted our nation. It presents itself in the widely and undisturbed form of low, low prices. What shopper can resist? However, the payoff is down the road. If we do not wake up and become too soldiers against these foreign godfathers, we will eventually end up in a position of war in our own country.

Lois R. Hink,  
Poultice, B.C.

### A foot in the door

I read Maclean's to get a global perspective. David K. Park's "Selling Canada globally" (*Essay on the Millennium*, July 1), gave me hope that, in the future, Canada would become a part of the world, not just a large country. I am a registered nurse in my late 20s, and although I have loved nursing since I began practicing, this article was just what I needed to remind me that, with some planning and a little luck, global needs will provide a wealth of opportunities for Canadians.

Monica Robit,  
Saskatoon, B.C.



The Access to Care Foundation

ACF program recognizes

those Access to Care Doctors who

have achieved exemplary levels of

client service in everything from

knowledge and professionalism to

empathy and compassion. We are proud

to announce that your winners and

invite you to view them today.

For more information, contact:

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

Access to Care Foundation, Inc.

## LETTERS TO THE EDITOR

should be submitted to:

Maclean's Magazine, Letters

777 Bay St., Toronto, Ont. M5W 1A7

tel: (416) 596-7710

email: letters@macleans.com

Maclean's welcomes readers' views but letters may

be edited for space and clarity. Please supply names,

address and daytime telephone number.

Letters cannot appear in Maclean's electronic edition.

Excellence doesn't just  
apply to our automobiles.



Designed with purpose. Driven by passion.



ACURA

# Now a little goes a long way.

Thanks to our exclusive partnership with AT&T™, now you can get Digital PCS right across North America. And the new Nokia 6060 phone is the best way to do it.

really.

Our coast to coast digital network, together with the real America coverage of AT&T, brings you even more reasons to get the digital services you need, in both Canada and the USA.

And now, you can get all this power in the world's smallest, lightest Nokia digital phone. The new Nokia 6060 is the first phone to give you complete access to our digital services across North America. So you can be seamless in Seattle, wireless in Washington, and even get e-mail in Miami.

Available now, only from Cantel AT&T. For more information, call or visit the dealer nearest you.

1-800-462-4463

Business Services

CANTEL

AT&T



## The Mail Pioneer program

Regarding your article "Helping children" (Canada, July 6) the story was good, but failed to mention the Child Tax Benefit that was announced in November, 1996, in British Columbia when, as promised, it was increased. The B.C. Benefit program in B.C. benefits was a major transformation of British Columbia's welfare system, which included a B.C. Family Bonus, i.e. a Child Tax Benefit. As well, a B.C. Healthy Kids program has provided children under 16 years of age with basic medical, dental and optical services.

Mike Maxwell,  
Vancouver

## Settling accounts

Your firm "Mad about mortgages" (Pulse, Special, August, 17) left out one detail that is germane to Royal Trust customers who may be affected by mortgage repayment penalty overhauls. Counsel in this class action have said they will ask the B.C. courts for the record related for Royal Trust customers as the recent settlement of an earlier class action gives Royal Bank customers. When Royal Bank settled its class action in June, we proceeded on the basis that the settlement covered all residential mortgages, including those mortgages issued by Royal Trust. Royal Bank administrators all residential mortgages, so our efforts always took into consideration those mortgages held by Royal Trust customers. In fact, although this may not have been made clear to these subscribers, we gave the sole-plaintiff authors last month in connection with the settlement includes Royal Trust mortgage customers. Any Royal Trust customer who was affected will receive a refund as soon as the legal processes allow.

Cherian Philip  
Pavlovskaya,  
Personal Financial Services  
Royal Bank of Canada  
Mississauga

## Macleans

CANADIAN PRESS INFORMATION

Editor: John G. Lewis

Managing Editor: Geoffrey Stacey

Editorial Editors:

Art Editor: Michael Bussell  
Book Editor: Michael Bussell  
Business Editor: Michael Bussell  
Canada Editor: Michael Bussell  
Environment Editor: Michael Bussell  
Health Editor: Michael Bussell  
Home Editor: Michael Bussell  
International Editor: Michael Bussell  
Legal Editor: Michael Bussell  
Life Editor: Michael Bussell  
Local Editor: Michael Bussell  
National Editor: Michael Bussell  
Politics Editor: Michael Bussell  
Religion Editor: Michael Bussell  
Science Editor: Michael Bussell  
Sports Editor: Michael Bussell  
Travel Editor: Michael Bussell  
Technology Editor: Michael Bussell  
Toronto Editor: Michael Bussell  
U.S. Editor: Michael Bussell  
Visual Editor: Michael Bussell  
Web Editor: Michael Bussell  
Writing Editor: Michael Bussell



## The Road Ahead

### Why Preston Manning should resign

The Reform party has recently gone through a less of a success story than it is often portrayed. In the past, the party has been successful in its efforts to bring about a review of leadership. Inwardly, there has been a shattering of illusions, painful but necessary if Reform is ever to reach truly national status.

When Preston Manning opened the door to a new era of Reform, he was not stepping on promises of financial reality. The new leader of the Opposition now saw the Ottawa residence as a proper component of his role. Not surprisingly, some of his caucus looked at their preliminary status and chose to opt for the white-collar, parliamentary pension plan. What once to Reform was crystal clear status of public funds now right to go to leader and elected members. Within the ranks of dedicated Reformers, an illusion had been shattered—pain, confusion and anger surfaced.

The problem is that the leader himself is an illusion. The Reform movement, led by Manning, exploded the facade of respectability and perceived respectability. "All provinces are the same." "The marketplace is always right." "Lower taxes mean prosperity." For people to whom the word "unmitigated" meant nothing, Reform was a heaven-sent vehicle and its leader a messiah.

Robert B. Byers,  
Vancouver, B.C.

## Two-way street

Your informative report of the provincial meeting in Kelowna ("Social discontent," Canada, Aug. 10) is more likely to give the road ahead with mutual understanding than

But Manning is no simple person. He understands that Canada is far too complex for a one-size-fits-all philosophy. Like Lincoln, however, he must present a face of unity and simplicity to single-minded followers.

But negativity will not fuel a national party. It inevitably turns upon itself. Reform, like the nation, needs a vision—a dream to achieve. The nation and its politics need to recognize and celebrate the strength of its diversity. But as Manning attempts to create a united alternative of the right, the waves of anger arising from his core support have bills.

Where now for Reform? If it is to be a broadly based, grass-roots national party, then disappointed Reformers are right in echoing Manning's own warnings about new leadership, leadership not burdened with the illusions Manning has himself fostered.

The old Reform party served the nation well in helping us all face up to the need for financial discipline. But no simple broadside is sufficient on the larger national scene. It is time for Manning to throw his mantle to another who may have some hope of bringing together a united right. Otherwise he will see that role fall to a revised Conservative party, which he must be content to lead a jump guard held together by pessimism and discontent and with no hope of national expression.

The Road Ahead series is a collection of articles published in Canada's largest print and electronic news sources. Subscriptions to this series are available at a special rate to all subscribers to this series.

gross sophistication ("Does this sound like independence?" The Road Ahead, Aug. 10). As long as Quebec remains a province, it must act like one in the promotion of its interests.

Gilles de la Pêcherie  
St-Martin-de-la-Plage, Que.

### Contributors:

Cheryl Ann...  
David...  
John...  
Michael...  
Robert...  
Thomas...  
William...  
Zoe...

*It's  
Friday  
afternoon  
and  
you're  
playing  
hooky.*



*2001 Explorer*

*off you. It's not that you don't love the city, it's just that every once in awhile you need to bring your life back into balance. At Ford, we understand the importance of balance. That's why our sport utility*



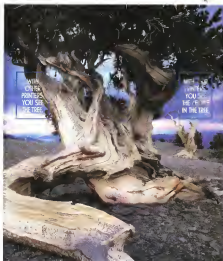
*2001 Explorer*

*vehicles offer such superior performance without sacrificing style or comfort. And they're roomy enough to bring the whole office with you. If you wanted to do that. Which you don't.*



**For now. Forever.**

1-800-561-FORD  
[www.ford.ca](http://www.ford.ca)



Our 1440 dpi lets you see them. How many can you find? Two? Three? Thanks to an Epson® printer, these amazing details are now appearing right before your eyes. Sure, other printers might show you how well they blend in. But with ours, you see how much they stand out. All four of them.

PRESENTING THE WORLD'S FIRST 1440 DPI INK JET PRINTERS.

Only EPSON® Stylus® printers have the PerfectPicture™ Imaging System for 1440 x 720 dpi • Micro Piezo™ technology for a cleaner dot • Quick-dry inks • Fast print speeds • PC/Mac compatibility • Optional internal ethernet. For more info, call 1-800-GO EPSON or visit [www.epson.com](http://www.epson.com)



Backstage



## Anthony Wilson-Smith

### The Liberals' easy ride is ending

One of the most likable things about Jean Chrétien is his willingness to tough out difficult circumstances. As a boy, an author Lawrence Martin recalls in his biography *Chrétien: The 950 in 95*, Chrétien confronted hardships ranging from flu to polio to hearing problems without missing a beat—or even a quarter from family and friends. As finance minister under Pierre Trudeau in 1976, he set stoically—while facing inward—when Trudeau went on national television to announce a sharp reduction in government spending without advising him. In 2000, newly minted Liberal Leader Chrétien endured savage verbal attacks in Quebec for his role in the failure of the Meech Lake constitutional accord. After a bitter fight, he was removed from his job in 2001, supporters of rival Liberal leadership candidates publicly suggested he might have to step down, and others noted how rusty he seemed. Chrétien ignored them, and focused successfully on long-range planning.

But the qualities that make a good person do not always translate into good politics. It is commendable to sit in silence through personal hardships—but quite another thing when those hardships are shared by the nation. Chrétien has arguably been an ideal leader during tough years: he and his government have had the good sense not to mess with a thriving economy (if that sounds odd, remember that Trudeau and Brian Mulroney presided over economic booms—and increased the deficit). Now, circumstances are about to change. Consider this dire prospect—and study—scenario for the fall.

If there is no political problems in Quebec, there are many reasons to fear an economic downturn. All of the country's key financial centres face some form of peril. British Columbia, already suffering from the collapse of the Asian economies, is confronting problems in the lumber industry, one of the province's mainstays. That is because falling Asian demand for construction has caused a 30% slowdown and rationalization throughout the industry. Alberta is starting to feel the effects of a falling oil price worldwide: the price of a barrel of oil has fallen below \$15 (U.S.) from a high of more than \$25 (U.S.) a barrel last year, costing the Alberta Treasury hundreds of millions in unguaranteed revenue. In Ontario, the Toronto Stock Exchange has been battered in the same fashion as all of the world's markets this summer. National by consumer demand is dropping, which usually presages a drop in manufacturing output. The American economy shows warning signs of slowdown, which would spill over into Canada. And as Martin's reports this week, Finance Minister Paul Martin may

not achieve as large a budget surplus as he had privately anticipated (page 30).

Into that uncertainty add the Quebec factor. Last week's Supreme Court ruling on the province's right to unilaterally declare sovereignty points to an election soon—perhaps in November. If poll trends hold, Premier Lucien Bouchard's Parti Québécois has a good chance to win re-election. That would drive down the dollar again, and shift federal government attention back to Quebec at the expense of other key issues until a third referendum—likely in 1999.

The tummy issue is the area where Chrétien is least effective, and most uncomfortable. It is conventional wisdom in some circles to blame him for the closeness of the 1995 referendum result. That is unfair, for no one has satisfactorily explained what he could have done better. It may have been impossible for anyone to subvert Bouchard and reconcile the fractious manner with which separatist Quebecers and the rest of the country regarded each other. But Chrétien gave himself no service by suggesting—as he has—that he single-handedly rescued the federalist side in the late days of the campaign with two speeches.

In the 1990 referendum, Chrétien was a hugely effective campaigner, a fact that is forgotten by most people—and he is well-remembered by the Prime Minister. But Quebec has changed greatly since then, while the Prime Minister—perhaps to his credit—has not. Regardless of whether the Meech Lake accord was a good idea, there is no doubt that its death took with it much of the goodwill with which Quebecers and other Canadians had previously regarded each other.

All of that will cause renewed discussion about how long Chrétien wants to remain prime minister. His words to stay indefinitely, the polls will give comfort, as long as Reform is fighting itself more than anyone else, there is no real alternative to the Liberals. But a prime minister should be more than just the least-difficult party leader. And Martin, who turns 60 on Aug. 28, has only to make publicly about how much longer he wants to stay in Prime in order to throw the party—and markets—into a panic.

So far, the negative economic and political news has taken place over the summer, when Canadians exercise their right to take out anything that disturbs them. In that regard, the Prime Minister has been a role model. Two more of the silly season ends, and a new season may begin. It's one thing to keep the engine of government idling in good times, but the important questions now are these: when the going gets tough, will Jean Chrétien get going? And if so, in what direction?



# Opening NOTES

Edited by TANYA DAVIES

## Baptism by fire

The recent forest fire that forced the evacuation of Salmon Arm, B.C., was a nightmare for all, especially the handful of families who lost their homes. But for one man from the West African country of Ghana, it was an education. They arrived in April to learn the latest techniques in fighting forest fires. For three months, the toughest challenge for the group, all fluent in English, was dealing with heat-sickness—until Salmon Arm. For two weeks, the trainers got a little baptism by fire as they joined the effort to quell the flames that threatened the community. "We think British Columbia has the best when it comes to fighting forest fires," says Charles Adu, 32, a member of the Ghana Fire Service. "So we decided to come and have a firsthand experience."

Paul Sowah and Dominic Yankson of the Ghana Fire Service, Adu and John Kusuor of the Ghana Fire Service and Augustine Biale of the Ghana air force now baptize future comrades they can help their country later deal with a growing forest fire problem believed to be caused by global warming. Adu just expressed their most about the two-week effort to quell the B.C. fires was the attention to safety and the teamwork of the Canadian crews. "Their discipline is phenomenal," says Adu. "We hope to meet that back home."



Shawn O'Sullivan, Toronto, is shown by Canadian safety and training.

## CAPITAL CONFIDENTIAL

The Tory leadership race may not begin as current until the first of all regional delegates for delegates in the party calls them in held in Vancouver on Sept. 13. But that doesn't mean party members haven't already begun choosing their camps. And there are some surprises. Although Joe Clark is acknowledged to have strong support among longtime Conservative activists, his old cabinet mates are more reluctant to join his team. So far, Hugh Segal's camp claims support from 18 of Clark's former cabinet colleagues, including Michael Wilson, Barbara McGoggin and Elmer Mackay. Clark tallies just one minister.

Spurring up new members is crucial to winning the leadership. And the candidate showing the most early success is



Orchard's working with some strong backbones.

Stockbroker-turned-farmer David Orchard. His secret with an anti-trade trade platform, he benefits from the deal of anti-free-trade activists who are selling memberships on his behalf. The Orchard campaign acknowledges it is getting support from Green Party members, the anti-free-trade lobby Action Canada Network, as well as dozens of activists from across and what Maude Barlow's Council of Canadians.

"There are certainly some working for him from the council because it is a way to raise issues that are now being ignored," says Barlow. The party has an official count of new memberships, but Orchard's supporters say he has sold about 3,800 cards so far. Imagine trying to vote the right with those hundreds on hand.

## EMPORIUM

According to a Statistics Canada survey on literacy in the workplace, the number of employees who have higher skill levels than their jobs require: 2.5 million.

The number of workers without sufficient skills for their jobs: 630,000.

## GOLDFAIRS POLL

As Canadians start preparing for the beginning of another school year, only one in seven adults believes the education system is working well. A senior number below the system is working poorly and needs fundamental change. The majority of Canadians feel it is only so-so. By percentage of 1,400 adults polled.

The current system is...	Working well	Working so-so	Not working at all
Primary education	10	55	35
Secondary education	25	63	32
Postsecondary education	17	64	19

SEE COLLECTOR'S GUIDE, PAGE 10

© 1998 THE GLOBE AND MAIL

## DOUBLE TAKE

### Shawn O'Sullivan



The boxer may be 1985 (right), but passion is obvious.

One day in 1987, when he was only 15, Shawn O'Sullivan said he wanted to be a professional boxer. It was a dream he had at the time, but he had no real talent. By the age of 20, O'Sullivan had won the Canadian junior light-midweight championship two weeks later, a silver medal at the 1984 Los Angeles Olympics and 96 of 300 amateur fights. By 1990, he was a professional. "I enjoyed it, I did it well and I kept going," he says. "I was a professional boxer for 14 years. After the '84 Olympics, he wanted pro, but he couldn't and the power began to fade. Even though he

was 29 of 38 fights during the following 12 years and earned about \$1.5 million, he never started in boxing. More than once, he retired and tried to make a comeback. And in July last year, most everyone said he should stop. Today, O'Sullivan, 36, his wife, Veronica (they have five children ranging in age from 4 to 16), lives in a 30-hectare apple and cherry farm in southern Ontario's Prince Edward County. The speech impediment is still there, but so is the elegance of his Irish heritage. He says he had not known much about rural life, "but I have found this to be a little piece of heaven on earth."

He is called a best fighter performance as a pro. "The amateur career didn't end up all the gas I had," he says. "But it sure did take a pretty major amount of it." And of boxing in general he says, "Without a doubt, there are easier ways to earn a living. Fortunately, he found one."

RAE CORRELL

## POP MOVIES

### More disco fever

With disco nights and The Last Days of Disco, it seems the '70s just won't let go. In 54, a fictionalized version of the heavily, decadent days at New York City's Studio 54. Make Myers makes a long into drama as ingenue nightclub owner Elsie Hubert, playing alongside fellow Canadian Peter Onorati.



Top movie in Canada	Top movie in U.S.	Box office (Canada)	Box office (U.S.)
1. The Grinch (1998-11-13)	1. Saving Private Ryan (1998-11-13)	\$1,030,012	\$1,030,012
2. The Last Days of Disco (1998-11-13)	2. The Grinch (1998-11-13)	\$1,030,012	\$1,030,012
3. The Grinch (1998-11-13)	3. The Grinch (1998-11-13)	\$1,030,012	\$1,030,012
4. The Grinch (1998-11-13)	4. The Grinch (1998-11-13)	\$1,030,012	\$1,030,012
5. The Grinch (1998-11-13)	5. The Grinch (1998-11-13)	\$1,030,012	\$1,030,012
6. The Grinch (1998-11-13)	6. The Grinch (1998-11-13)	\$1,030,012	\$1,030,012
7. The Grinch (1998-11-13)	7. The Grinch (1998-11-13)	\$1,030,012	\$1,030,012
8. The Grinch (1998-11-13)	8. The Grinch (1998-11-13)	\$1,030,012	\$1,030,012
9. The Grinch (1998-11-13)	9. The Grinch (1998-11-13)	\$1,030,012	\$1,030,012
10. The Grinch (1998-11-13)	10. The Grinch (1998-11-13)	\$1,030,012	\$1,030,012

## BEST-SELLERS

### FICTION

1. *Interview with a Vampire* (1998-11-13)
2. *The Grinch* (1998-11-13)
3. *The Grinch* (1998-11-13)
4. *The Grinch* (1998-11-13)
5. *The Grinch* (1998-11-13)
6. *The Grinch* (1998-11-13)
7. *The Grinch* (1998-11-13)
8. *The Grinch* (1998-11-13)
9. *The Grinch* (1998-11-13)
10. *The Grinch* (1998-11-13)

### NONFICTION

1. *Angels in America* (1998-11-13)
2. *The Grinch* (1998-11-13)
3. *The Grinch* (1998-11-13)
4. *The Grinch* (1998-11-13)
5. *The Grinch* (1998-11-13)
6. *The Grinch* (1998-11-13)
7. *The Grinch* (1998-11-13)
8. *The Grinch* (1998-11-13)
9. *The Grinch* (1998-11-13)
10. *The Grinch* (1998-11-13)

## Roundin' up rawhide recipes

The City of Calgary has declared this to be the Year of the Cowboy. And to celebrate the show that cowboy tastes for, The Wild West Cookbook (Robert Boyd) by Chris Church has been selected as the official cowboy cookbook. Church, food editor for the Calgary Herald, has collected 135 recipes, including the local delicacy of trout cut testicles.



# Passages

**SENTENCES:** Former South African President P.W. Botha, 82, on a suspended term of 12 months in jail and a fine of \$2,450, in George, a small coastal town 380 km east of Cape Town.



Botha was found guilty of ignoring a summons from the Truth and Reconciliation Commission, which was investigating atrocities committed under his rule. Botha was the apartheid government from 1978 to 1989.

## BROKEN:

A Major League record, by St. Louis Cardinals first baseman Mark McGwire, 34, who hit more than 50 home runs for the third consecutive season. McGwire, who played 528 games in 1996 and 58 last year, is now trying to beat Roger Maris's 1961 record of 61 home runs in a season.

## AWARDED:

\$1 million (U.S.) to David Kaczynski and his wife, Linda Kaczynski, of Albany, N.Y., as a reward for turning in David's brother, Theodore, known as the Unabomber, in Sacramento, Calif. Theodore Kaczynski was sentenced in May to four life sentences for killing three people and injuring 29 during his 17-year bombing campaign. David Kaczynski has said he will give the reward money to the victims and their families.

## RETRIBUTION:

Phyllis Lambert, 71, as director of the Canadian Centre for Architecture, the institution she founded in 1979, in Montreal. She will be replaced by Kurt Forster, of Zurich's Federal Institute of Technology, in March, 1999, but will stay on as chair of the centre's board of trustees.

## DIED:

Author Dorothy West, 91, in Oak Hills, Mass. West was part of a groundbreaking circle of black writers in the 1930s and '50s. Her second novel, The Wedding, published when she was 88, was made into a TV miniseries by Oprah Winfrey.

# Judgment Day

The Supreme Court decision sets new rules in the fight for Canada



BY BRUCE WALLACE

**H**is public rhetoric aside, Lucien Bouchard never expected to get much long-term political mileage from last week's Supreme Court of Canada ruling on whether Quebec has the right to unilaterally become sovereign. To be sure, the Quebec premier saw some good opportunities to score points when the case was heard last February. After all, nine judges appointed by the federal government were going to deliver an opinion on Quebec's legal right to secede. That would include passing judgment on whether the Canadian Constitution took precedence over the long-asserted claim of both federalists and sovereigntists that Quebecers had the province has a right to choose its own destiny. Over four days of hearings, Bouchard vented away publicly at the federalist case, attacking outrage in Quebec at Ottawa's nerve in asking the court for help. Over dinner with friends at his Outremont home one night soon after, Bouchard snickered at Ottawa's ineptitude, and bemoaned how he could exploit those openings as well.

## Canada COVER

But while other political observers fretted—and waited—expected the final ruling to emotionally become a full-blown election issue inside Quebec, Bouchard, even then, was having none of it. "I don't expect any more from it," he also told his dinner guests that winter night. "There's no more juice left in this one."

Last week, Bouchard played a different tune publicly—but in the end, his private remarks may prove to be the most prescient. The 78-page, unanimous ruling released by the nine Supreme Court judges contains plenty of food for thought—but little to suit the appetite of sovereigntists looking for a ready-made election issue. The court's key findings, in fact, contain something to please almost everyone—as was evident from the haste with which both federalists and sovereigntists cited different sections. Prime Minister Jean Chrétien praised the court for providing "an important reminder of some basic elements of democratic life and civil order." Bouchard suggested the over-ruling only buttresses his argument that the province needs only the majority approval of its voters in order to become sovereign.

But even as the two sides exchange volleys of contradictory

rhetoric, it is clear that the court's historic judgment sets new ground rules—and delimits some old arguments—in the ongoing battle for the future of the country. It marks, in fact, what is believed to be the first time that a democratic, advanced country has set guidelines for its own breakup—in advance of such an event happening. Among the key points in the unanimous judgment of the court, which is led by Chief Justice Antonio Lamer, is a note Montrealer.

• It would be illegal under both Canadian and international law for Quebec to declare independence unilaterally.

• Despite that, a referendum is a legitimate way to measure the public's desire for constitutional change. As a result, if Quebecers indicated they wanted out of Canada in a referendum, said the court, the rest of the country would be obliged to negotiate in good faith to find a way to make a breakup.

• In order for such a process to occur, the referendum would require a "clear majority" voting Yes in response to a "clear question."

The second of those three points is the one that sever-

alists, led by Bouchard, emphasized in the wake of the release of the ruling. At a news conference in Quebec City, the premier declared: "The next time, soon and we will be able to vote Yes without worrying about a smooth transition to sovereignty." The Supreme Court, he said, "has shaken the basis of the federalist strategy and undermined their arguments based on fear." He has some justification for that claim: successive prime ministers, beginning with Pierre Trudeau, have always insisted that they did not have a mandate to negotiate the disavowment of the country—and therefore, there could be no assurance of acquiescence in the case of a Yes vote. For sovereigntists, the promise that such negotiations would have to take place has always been the principal form of reassurance that they offered up for prospective Yes voters who were assuaged by the prospect of a complete cutting of ties with the rest of Canada. The Supreme Court's apparent support of that claim is certain to play a key role in sovereigntist strategy in the event of another referendum.

Another item of appeal to sovereigntists lay in the court's language as to what would happen if there was an

**CHRISTIAN AND BOUCHARD:** The decision, says the premier, will allow Quebecers to vote Yes at the future without worrying about negative consequences





**THE FIVE JUDGES**  
A decision that  
presented the court  
with both legal and  
political challenges

C O V E R

# Breaking New Ground

*The Supreme Court decision on Quebec's right to unilaterally declare sovereignty has broken new ground in the constitutional debate. Maclean's Contributing Editor Mary Joannas explored the background, issues and potential implications of the court's findings*

Two years ago, the federal government asked the Supreme Court to rule on three issues:

- Can Quebec secede unilaterally from Canada under the Constitution?
- Does it have the right to secede unilaterally under international law? (Does international law include a right to self-determination that would permit secession?)
- If there was conflict between Canadian and international law, which takes precedence?

In a hearing lasting last February, 36 parties, including the federal government, aboriginal groups, minority rights advocates and a so-called friend of the court representing the Quebec secessionist position, presented complicated, often radically opposing arguments. Ottawa contended that there is no right to unilateral secession in domestic or international law. The friend of the court, specialist lawyer Justice John Côté, countered that, under international law, Quebecers are a people with the right to self-determination. He said that even if that right does not "strictly" include the right to secede, the international community would recognize a seceding Quebec—because it would exercise effective control over its territory. Most of the remaining interveners argued that Quebec could not unilaterally secede—because that would violate their own constitutional rights.

The court listed 11 questions of law, both legally and politically. It is simply ruled that the law did not permit unilateral secession, it would induce isolated passions. Quebecers have long maintained that they constitute a people with the right to self-determination, including the right to secede. If the court spelled out the detailed rights of other interveners, it could create a dangerous recipe for constitutional chaos. And if it heeded its legal opinion to placate public opinion, it could damage itself—and perhaps erode respect for the rule of law. The risks, therefore, were enormous when the nine justices published their unanimous 78-page ruling last Thursday.

## THE JUDGMENT'S PHILOSOPHY

In a meticulously reasoned ruling, the court reviewed the steps that spawned Great Britain's decision to consider in 1867. They started out low: values that underpin the resulting Constitution. • Canada is a federation—which recognizes and honors the diversity of its parts. • Canada is a democracy. • Canada respects its Constitution—and the rule of law. • Canada protects the rights of its minorities. The court noted that it is tempting to conclude that the Constitution can be circumvented by a majority vote in a referendum, but asserts its appeal to the notion of popular sovereignty. But, they countered, those public institutions must consider the aspirations of the people; those institutions must also remember that they owe their very legitimacy from the rule of law. "Democracy in any real sense of the word cannot exist without the rule of law," the court said.

## THE SPECIFICS

**Question 1:** The court observed that the federation is a 131-year-old network of social, economic, political and cultural links, founded on those common values and bonded by those constitutional ties. If Quebec attempted to secede unilaterally, it would reject those relationships, disrupt its partners and threaten the stability of the nation that it once helped build. The judges wrote: "The Constitution would suffer order and stability, and sovereignty as a province 'under the Constitution' could not be achieved unilaterally, that is, without principled negotiation with other participants in Confederation within the existing constitutional framework."

If the judges had stopped there, the affair within Quebec would likely have been considerable. But the court drew the Constitution as a series of mutual obligations: each partner has a duty to respect its fellow partners—and each party must honor those fundamental values. That leads to an extraordinary assertion in the judgment, which breaks new ground: If a referendum vote produces a "clear

majority vote on a clear question in favor of secession," this would confer legitimacy on the Quebec government's demands. "As long as Quebec exercises its rights with respect to the rights of others, it may propose, secede and seek to achieve it through negotiation," the court stated.

The court, in turn, creates "a reciprocal obligation on all parties in Confederation to negotiate constitutional changes in respect to that device." Representatives of the clear majority of Quebec and "the clear majority of Canada as a whole, whatever that may be," must start talking. "The Constitution is not a straitjacket," the court stated.

## THE CHALLENGE

The court drew lines beyond which it would not venture. It would not decide what constitutes a clear answer to a clear question; those are political problems. It refused to speculate on what would happen if negotiations were to break down. It stressed that neither party can ignore those fundamental values other governments can not deny the democratic right of the Quebec government to pursue secession—and Quebec cannot maintain that it has an "absolute legal entitlement" to secede when it starts negotiations.

In such circumstances, the court conceded talks would undoubtedly be difficult. "The issues would range from the national debt to the localities of each nation to the protection of linguistic and cultural minorities, including aboriginals. Although the court asserted that secession requires a constitutional amendment, it refused to stipulate which of several possible formulas, including minority or the consent of seven provinces with at least 50 per cent of the population, might apply. Such decisions could sow "anxiety and civil authority clear to the coast." But the court warned that each party would undertake its own case—and its legitimacy would naturally—if it did not respect the very values that it had once pledged to honor. "A Quebec that had negotiated in conformity with constitutional principles and values in the face of apparently intransigence on the part of other participants would be more likely to be recognized than a Quebec which did not itself act according to constitutional principles in the seceding process."

**Question 2:** After an extensive survey of international law and treaties, the court concluded that "the right of a people to self-determination is now so widely recognized in international conventions that the principle has acquired a status beyond 'consent' and is considered a general principle of international law." But the court added that the exercise of that right must be "sufficiently limited to prevent threats to an existing state's territorial integrity or the stability of relations between sovereign states."

There are two components to that rule. Oppressed peoples may break away from imperial powers. Oppressed peoples may throw

out foreign occupiers. Since even the friend of the court conceded that Quebecers were not an oppressed people, the court concluded that the right to self-determination did not provide Quebec with the right to secede under international law.

In that decision, the court staked another around the tricky issue of minority claims to constitutional protection in the event of secession. First, the court asserted that it was not necessary to decide what constitutes "a people"—since the right of a people in Quebec to self-determination does not include the right to secede. It did note that much of the Quebec population shares many characteristics—such as common language and culture—which would be considered in defining a people that is acted that other groups within Quebec also share common traits. The court added that it had paid close attention to aboriginal concerns about their rights and territories, particularly in northern Quebec, if the province unilaterally seceded. Since the right to unilateral secession does not exist, and since negotiations would have to take place, "aboriginal interests would be taken into account."

**Question 3:** The court ruled that there is no conflict between international and domestic law.

## THE STICK—AND THE CARROT

The court considered Justice Côté's assertion that, at the end of the day, it does not really matter what the Canadian Constitution says. If state secedes, and if it maintains effective political control of its territory, he argued, the international community must eventually recognize its existence. That may be true, the court conceded, successful revolutions may create legal entities that that does not arise in that secession itself is illegal.

Instead, the court returned to fundamental values. Yes, the judges wrote, other nations may recognize Quebec for reasons of self-interest or political advantage if it unilaterally declared sovereignty. But the international community would take a long, hard look at the circumstances surrounding that secession. If the seceding state discards its legitimate obligations—the need to respect its partners, its minorities, the rule of law and its democratic obligations—"even potentially respect to be blinded by that disregard in achieving international recognition." But if it complies with its obligations, such estimable conduct "would weigh in [its] favor."

In the end, the court's thoughtful approach should discourage partisan politicians from scoring cheap and easy political points at the expense of the ruling. The nine judges set the moral and legal standards. Now, by those standards, the participants in the debate will be measured. □



**TOWN OF LIBERTY?**  
Rural Quebec is the  
heartland of PQ support

For the opposition Liberals, whose support is strongest in the Montreal area, making inroads in rural ridings is their greatest challenge. Their standing among francophones shot up when Jean Charest replaced Daniel Johnson as leader, but in recent polls the PQ has attracted the majority of French-speaking voters in a poll by the Montreal-based firm Groupe Léger & Léger Inc., 64 per cent of francophone respondents supported the PQ while 42 per cent chose the Liberals. Pollster Jean Mac Léger says that since the collapse of the Meech Lake constitutional accord in 1990, a majority of francophone voters have shifted to the PQ camp, and remains there. Léger suggests that the Liberals will not win there back "as long as there is no credible and more nationalist constitutional position."

Stout is counting heads. Charest has returned on the referendum to Quebec, often making it in speeches. The weather is palpable among some voters. In St. Jean-de-Matthias, a business owner named Bessé says he is only disappointed with the PQ government. "They think too much about Quebec separatism and not enough about the economy and jobs," he complains.

But inside Bessé, "there aren't a lot of people who tell me they don't want a referendum. They tell me that they want to settle the national question." During a door-to-door swing through the riding last week, Bessé says people hinted about the fact that the court decision would force the federal government to negotiate with Quebec following a Yes vote. He believes the decision will reinforce interest in the issue among some Quebecers. Added Bessé: "The Supreme Court has thrown oil on the fire."

That may be more wish than reality. Early indications in Quebec and elsewhere are that the court decision is unlikely to give the PQ a last election boost, as in a full vote appears likely. "It's really an extremely selfish judgment," said pollster Léger, who added that he does not think negotiations will find sufficient fodder in the judgment to whip up public sentiment. In their relatively static reaction to the wake of the ruling, Quebecers appear no closer to leaving—or leaving—Canada than they were before.

It seriously or if they'll screw around, as usual." Some residents expressed other concerns. One 51-year-old businessman from St. Jean-de-Matthias, who would not give his name, wanted the court to be more categorical in laying out rules for secession. "Against my opinion," says the woman who voted Yes in the 1995 referendum, but still has doubts about the feasibility of Quebec's young nation, "that went going around in circles." On the other hand, François (François) A., who owns a dry-cleaning business in Lével, said he supported the federal decision to refer the case to the court, believes the decision will result in a clear question in the next referendum. A federalist, L'Esperance predicts: "With a clear question, the soft nationalists will lean more on the side of federalism."

In Lével, where agriculture and forestry are the primary businesses, some residents seem more preoccupied with Quebec's struggling economy and health care cutbacks imposed by the PQ. Sonia Murray, 30, who owns a convenience store in the town of St. Jean-de-Matthias, complains that the PQ has not helped small business. "We've been in business for four years," says Murray, "and we don't see a light at the end of the tunnel."

The PQ's fiscal conservatism is a project for some residents. "I don't see how the government can deficit-spending for years. They may question how the cuts were made, Bessé says, but "in the fundamentals they agree—that to have 'Bark' without a house is like having a car without an engine."

BRENDA BRANSMILL in St. Jean-de-Matthias

## CANADA

# Rocky path to power

Reform's discord imperils the united alternative

BY JOHN GEDDES

I was not much of a bureaucrat. After three weeks teaching seven countries abroad, during which President Manning associated the Liberal government for letting the Canadian dollar slide, the Reform party leader returned on Aug. 17 to find his own own divided, his leadership questioned, and his political enemies wondering: "The issue behind the upsurge: some Reform members of Parliament want to rethink whether the party's long-standing ambivalence on the Meech Lake process plan, which Manning has frequently criticized as far too liberal. But when Manning broke silence on the split at a news conference late on the week in Calgary, he sounded conciliatory towards the rebels. That even included British Columbia MP Jim Hart, who started earlier by denouncing Manning's leadership, announcing his own intention to join the previous plan, and then quitting the caucus. Still, Manning said, might be welcomed back because "I'm anxious to see the Reform family stay together."



The opposition leader's conciliatory towards the rebels

In fact, Manning has very specific reasons for his stance towards dissenters—and they revolve around his ambitions of late to vastly expand the size of the party's base. Reform's record of 40 MPs in the 1993 election is far from the official Opposition. These days he is re-examining on finding a way to bring together Reformers, Progressives, Conservatives and others into a new right-leaning movement capable of ousting the Liberals. Officially launched at a Reform convention in May in London, Ont., the so-called united alternative campaign is now at a decisive planning stage—particularly last year for the enhancing destruction of a source reveal.

MacLennan has learned that Reform strategists are trying to enhance the campaign's credibility by casting an advisory group of blue-chip political figures from outside the party—including Calgary consultant Rod

Lowe, a consultant of Alberta Premier Ralph Klein, and Peter White, a top executive in General Electric's business empire and general secretary of the prime minister's office. Manning: Drafting such heavy hitters would give the united right campaign a much higher profile, especially in Tory circles. "I think you'd find there will be a few surprising faces," says one Reform ally, who asked not to be named.

Manning loyalists note the money campaign infighting can be put to rest before the announcement of the advisory group, tentatively planned for next month. A senior

1998 EDITION ON SALE NOW!

## Required Reading

for planning a university education



Maclean's magazine brings you the definitive guide to Canadian universities. In addition to the university rankings from Maclean's best-selling annual university issue, the book includes:

- ✓ Comprehensive, current profiles of 52 universities
- ✓ A complete directory to all Canadian university colleges
- ✓ The latest popular courses, professors, services and budgets
- ✓ A wealth of information on graduate facilities and co-op opportunities
- ✓ Valuable advice for international students
- ✓ A 23-page survey of the country's on-line school

**PLUS:** A new 46-page directory to enhance scholarships and a financial planner for parents and students

**Maclean's**  
UNIVERSITY GUIDE 1998

# Shrugs and hisses

For those curious about the ways of life in the slower lanes of rural Quebec, one good place to visit is Berthier riding, southeast from Montreal. Scattered in size and more than 90 per cent francophone, it is, like most ridings outside Montreal, represented in the national assembly by a member of the Parti Québécois, in this case 41-year-old Gilles Baril. Reflecting the traditional influence of the Roman Catholic Church, many of the small towns in the riding begin with the word "saint"—including such distinctive-sounding names as St. Zénon and St. Basile-de-Grange. Political views, the other attitudes are fairly homogeneous. 63 per cent of Berthier voters backed the Yes side in the 1995 referendum—among the higher percentages of support for new province in the province.

All of that makes it the kind of riding the PQ relies on for support in elections, a referendum here, or during any constitutional dispute. That, in turn, makes the mood among residents both work of the more telling—and challenging—for both sides in the sovereign debate. From their stands in local shops and restaurants the Supreme Court ruling elicited an "Amen!" by so many residents—some regarded with attitudes ranging from ignorance to indifference to occasional hostility.

Some question what the case accomplished. Sylvia Courto, 36, a truck driver and farm-to-market, considered the reference case "a waste of money." After the ruling, Courto said, "If Quebecers vote by a majority that things should change, what I ask myself is whether the federal government will take

party official told Maclean's that Hart is expected to retract his harsh criticisms of Manning within the next two weeks, and then return to the party. Some of the other Reformers who have also said they plan to break with their colleagues by joining the MP's private pilot apparently will not join party discipline. The aim is to ensure that a key caucus retreat in Banff, Alta., early next month is not derailed by internal dissent. "I can't speak for the party," Manning said. "But I don't anticipate this being a big issue." He issued a reminder that 80 per cent of Reformers at the London conference voted to have him carry on. "They gave me a strong mandate to continue," he said. "And they gave me an even stronger mandate to pursue this united alternative idea."

But Manning's handling of the post-mortem neither inevitable raises questions about his leadership style. In 1995, 51 Reform MPs, along with five Liberals and four Bloc Québécois members, opted out of the plan anyway. It was too generous. That stand was central to Manning's bid to establish his reputation as a reformer by refusing to get his taxpayers' money. Under a new pension package passed in June, all MPs have said. "It is to decide whether they want to reject the plan, which would guarantee a backslider with eight-point service about

\$21,000 a year, starting at age 55. Most Reformers are staying out—but some B.C. MPs are expected to opt back in, including Jim Cook, John Duncan and Neil Graham, along with Hart. Critics charge that Manning set a precedent for their change of heart when he moved into bureaucracy, the official residence of the Opposition leader, despite vows, apparently not to do so. "He set the example of reneging on a personal pledge," said former Reform policy

## Manning 'set the example of reneging on a personal pledge'

adviser Peter Plousquet, a University of Calgary political scientist.

Manning's next moves will be as closely scrutinized as any in his career. Some MPs criticize the intense pressure that has been applied by party officials towards elders on the pension issue. "We have moved to becoming like the other parties," complained B.C. MP Keith Martin, who while supporting the pension plan, has expressed sympathy for those dissenting on "force as used on

MPs through a system of reward, punishment and a culture of fear." Some Reformers wonder why Manning must now reach out to alienated MPs. But critics wonder if Manning, who usually stays aloof from such games, will do so. "Premier's approach is basically a central, intellectual one," said Plousquet. "He isn't down in the weeds."

If Manning can keep his MPs in line, the toll will be great pressure. The weakness of the Canadian dollar leaves the Liberal government highly vulnerable to assault from the Opposition benches. With the budget now balanced, Reform's long-standing call for less cuts sounds more desirable than ever. And the prospect of a high-profile economy constraint, its plan, could put real assets on the inshorework of Reform's anti-alternative campaign—and even such attention away from the anguished Terry Lewis. A united alternative as scabily as planned for early in 1999. Many Reformers, the Reform magazine leading the campaign, insist that the caucus split has not hindered but clarified to cross over Reformers into the process. "It is an MP or two who are a bit disgruntled," she said. "The people we're talking to are aware enough to know that." Still, the cracks within the caucus pose the latest threat to the party's place to serve as best to a united right.

With LOREY HODGSON in Ottawa

# Canada NOTES

## TWO TRIALS FOR REGAN

New Scotia Supreme Court Judge Michael MacDonald ruled that former Liberal premier Gerald Regan will face two separate trials. MacDonald said eight six-month charges, including two counts of rape, will be tried together while a charge of indecent assault will be tried separately to avoid prejudicing jurors. The accusations against Regan, 70, date back to the 1950s and 1960s.

## NUCLEAR ERRORS

The Atomic Energy Control Board says staff at Ontario Hydro's nuclear power plants broke safety regulations 38 times in 1992. While the AECB said inspectors were operated safely, it highlighted several infractions. In one incident, the Darlington plant shipped radioactive metal to be recycled. Had the recyclers not routinely checked for radioactivity, its workers could have been contaminated.

## MACINAC REFRIEVE

Macinac's Quebec-based subsidiary reached a deal on logging Crown land and removed barricades that had been blocking the region's main highway for three weeks—including one that had prevented about 125 seasonal employees from working. The dispute ended after Quebec gave Macinac an extra 5,000 cubic metres of wood on top of the 20,000 already offered, and agreed to future talks on sharing timber.

## PRINCIPAL EXONERATED

The Toronto Catholic District School Board cleared John Pyle, principal of St. Michael's Church School, of any disciplinary action in the wake of Kenneth Aultman's suicide last December. Aultman, 17, jumped to his death after admitting to an off-duty police officer, called in by Pyle, that he had tampered with a message in the school yearbook. In upcoming months, the board will establish a task force to clarify its policy on the presence of police in its schools.

## AWKWARD HOMECOMING

Former NHL hockey player Sheldon Kennedy will be starting his way across Canada to raise money to combat autism. Kennedy, arrived in Swift Current, Sask., Kennedy shocked the hockey world last year by revealing he had been abused by his coach on the Swift Current Broncos of the Western Hockey League. He says Kennedy has raised \$1.8 million of the \$15-million goal.



Protecting a valuable salmon fishery for B.C. province residents.

## Sockeye conundrum

The chaotic West Coast salmon fishery experienced another sudden shakeout in government policy when federal fisheries officials announced the unexpected discovery of about one million additional sockeye. As a result, officials said, they would scrap the Fraser River fishery—only a day after Fisheries Minister David Anderson had labelled an ongoing ban on it. Conservationists and fishermen immediately questioned the

better-than-expected findings by government scientists, claiming Ottawa's revised numbers were an attempt to appease militant B.C. fishermen. Others just shook their heads. "In 1994, they lost one million fish they'd predicted in the Fraser River—now they suddenly find a million more all there," said Kathy Swartz, spokeswoman for the West Vancouver Island Trailers. "Things are a mess."

Anderson had ordered the Fraser River ban because scientists reported that many of the sockeye that were returning to spawn were being killed by higher-than-normal water temperatures. But with the extra salmon, Ottawa allowed two one-day fisheries last week: one for natives and the other for non-natives. But that too angered non-native fishermen, who argue what they consider to be preferential treatment for aboriginals. In response, they staged a protest fishery, launching about 100 boats on the day designated for natives only. Both natives and federal officials said they plan to work charges against the protesting fishermen.

## Mulling the inequity

Prime Minister Jean Chrétien indicated that his government will most likely appeal a pay-equity ruling involving about 200,000 post and present social workers, librarians and other clerical workers in the public service. On July 26, the Canadian Human Rights Tribunal ruled that the federal government owes up to 10 years' worth of back pay to the workers, most of them women. Estimates of the cost range between \$4 billion and \$7 billion. Last week, the Prime Minister said that if his government were to make a payment at that range, there likely would be no money left for extra spending on, for example, health care. "There's only so much money," Chrétien said, "unless you increase taxes."

The pay-equity issue has proven to be a thorn in the government's side. During a meeting with Treasury Board President Marcel Masse, the Liberals' women's caucus lobbied him to accept the ruling. Ottawa has until Aug. 28 to appeal the case to the Federal Court of Canada. Furthermore, Chrétien's critics note that in 1995, while he was leader of the Opposition, Canada wrote the Public Service Alliance of Canada to say he would abide by whatever the tribunal ruled. Now federal sources say they have cautions about the formula used by the tribunal to calculate pay equity, as well as the decision's possible impact on provincial government finances and the private sector.

The heart of the idea behind the high-performance Paper Mate® Dynagrip.™

Comfortable • An cushioned grip • Bold vivid lines • **PAPER MATE** • Smooth-writing Lifegrip® ink • Unique rugged profile • **PAPER MATE POWERLINE**

# A new war on terror

BY DAISY JENISH

Osama bin Laden is a slender man with a thick black beard, lightened by traces of grey, and soft eyes that give him an unobtrusively air. He does not look dangerous, but according to American officials the Saudi Arabian millionaire, about 40, is the world's leading terrorist. Now based in Afghanistan, he is consumed by religious zeal, a hatred of Americans and a desire to drive them out of the Middle East. And bin Laden has used his personal fortune—estimated at \$400 million—as a war chest to fund Muslim extremists and finance their operations. U.S. intelligence experts believe he was behind the now-massive bombing of American embassies in Kenya and Tanzania on Aug. 7 that killed 265 people, including 12 Americans, and injured 5,500—and that those attacks foreshadowed a major escalation in his campaign of terror.

As they gathered evidence following the East African attacks, U.S. military and intelligence officials quickly became convinced they had to strike bin Laden before he struck again. They received final approval to do that from President Bill Clinton at 5 a.m. last Thursday. Ten and a half hours later, U.S. naval vessels, located almost 2,000 km apart in the Arabian and Red seas, fired around 75 cruise missiles at bin Laden's transient camps near the town of Khartoum in northeastern Afghanistan, and at a suspected chemical weapons plant, believed to be controlled by bin Laden, in the Sudanese capital of Khartoum.

Whether their military effort, the political impact was immediately obvious. The strikes deflected attention from the crisis threatening Clinton's presidency—his admission number in the week of an unpropitious relationship with former White House adviser Morris Lowinsky (page 28). In fact, some sharp political opponents—recalling the 1997 movie *Major League* in which a U.S. president creates an international conflict to divert attention from his sexual dalliances with a teenager—questioned the timing of the attacks. "That cloud of doubt is there now," said Republican Senator Don Corcos of Indiana, "because the President has put himself in a position where it's hard for us to trust him."

But while some saw the striking act, other leading politicians noticed there was no connection between the military strikes and Clinton's domestic troubles. Even such staunch Republicans as New York Senator Jesse Helms and House Speaker Newt Gingrich supported the President. And a USA Today-CNN-Gallup poll conducted the same day as the attacks showed that 66 per cent of respondents on closed the action. Clinton appeared determined to extract maximum political advantage. He interrogated a family vacation on Martha's Vineyard with wife Hillary and daughter Chelsea to fly back to Washington and give a 7½-hour telecast address. "Our target was terror," Clinton said. "Our mission was clear—in strike at the network of critical groups affiliated with and funded by Osama bin Laden."

Intelligence sources in Washington told *American* they had "strong indications" within a few days of the embassy bombings that bin Laden was deeply involved, and a pre-



liminary decision was made to stage an attack. The United States maintains a fleet of 24 warships in the Persian Gulf, including seven carrying cruise missiles. Commanders of those vessels were ordered to take up positions in the Red and Arabian seas. One intelligence source said Russian satellites would certainly have picked up these movements, and Moscow analysts would realize what was afoot. A leak could not be ruled out. "Over the edges were in place, they had to fly or move on," said the source.

U.S. officials said the Sudan-based missiles, 5.4 m in length and carrying up to 60 kg of high explosives each, had reflected "moderate to heavy damage" on the Khartoum factory known officially as Al Soda Pharmaceutical Industries. The missiles were fired from two ships in the Red Sea. Sudanese officials reported that at least 10 warships were engaged in the attack on the plant, where U.S. officials claim components for the deadly nerve gas VX were manufactured. Misconceptions of the age at which applied in human skin, cause of skin cancer, loss of muscle control, paralysis of the respiratory system and death within 15 minutes. The Sudanese insisted the factory only turned out medicines.

Five American naval vessels, including a submarine, fired about 60 missiles at bin Laden's extensive operations in Afghanistan, which include training facilities, a military base and a support camp. He has used his wealth to build firing ranges and underground tunnels, acquire tanks and armament, personal cars, and build up stores of ammunition and explosives.

Afghanistan's authoritarian Taliban government said at least 21 people died in the attacks and at least 52 were wounded. The Laden was not among them—according to Pakistani radio news reports with survivors, he and other key commanders slipped a planned direct at his camp in Khartoum. The camp was later leveled. Other sources reported that one training camp operated by militant Kashmiris, and a second located 16 km away, were completely destroyed. Intelligence reports suggest that there may have been as many as 600 militants in the camps. A group of Pakistani guerrillas traveling in the area afterward reported seeing 300 corpses near the first camp, some of them 12 m wide and six metres deep.

News of the strikes led to a demonstration in many parts of the Muslim world. Crowds outside the U.S. Embassy in Khartoum around the corner building held students at Tehran University in the Iranian capital shouted "Death to America" during their morning prayers. U.S. flags were burned at protests in the Pakistani capital of Islamabad, and in Tripoli where Libyan leader

Muammar Gaddafi led the demonstrators. "This will cause more hatred against America," said Mustafa Musharraf, leader of the outlawed Muslim Brotherhood in Egypt, "and quite the state of tension and instability in the region."

Those flames burned brightly among bin Laden and his followers. The Saudi prince, admitted his misery from his father, a Yemeni-born contractor who assumed a fortune by building mosques, palaces and other works for the Saudi royal family. Ironically, bin Laden was a U.S. ally in the 1980s in supporting the battle against Soviet troops in Afghanistan. But he was expelled from Saudi Arabia in 1991 after he turned against the United States for its actions in the Gulf War, which he felt resulted in the humiliation of Islam's holy places, Mecca and Medina. He makes clear he sees his campaign as a holy war, directed by God, at which punishment like the latest strikes simply bowed more attacks. "Each action will elicit a similar reaction," he told ABC News correspondent John Miller in late May. And innocent bystanders will die. "We do not discriminate between those dressed in military uniforms and civilians," he has said. "They are all targets."

Intelligence sources said the U.S. missile strikes were aimed at disrupting a broad campaign of terror that included the East African bombings in June, according to these sources. The CIA concluded a 15-month investigation into a plot to bomb the American Embassy in Tirana, Albania. Based on CIA findings, the Albanian government arrested the Egyptians headed by bin Laden. They have since been sent back to Egypt, where they were used for terrorist activities.

The sources say the CIA has also uncovered hard evidence that a terror group, connected to bin Laden, was planning to bomb an unnamed U.S. Embassy in Africa. According to informants, intelligence agencies have found convincing evidence of bin Laden's links to the Khartoum factory bombed last week and to a plot to use chemical weapons in another attack. In fact, the state department has recently closed an alleged back operation in Afghanistan, Pakistan, Britain, Malaysia, Uganda, Egypt and Yemen.

Although last week's strikes went smoothly, highlighting U.S. military and intelligence officials remain on edge. They are convinced that bin Laden is committed to staging more attacks on U.S. installations abroad—and at home. While they are confident they will stop many of them, others may be successful. "It's a very serious, we are at war," said one military official. At war against a determined and unpredictable enemy.

With WILLIAM LOWMEYER in Washington

## U.S. missiles strike targets linked to a wealthy extremist



Demonstrating in Islamabad, bin Laden (left) fears of a major escalation



# Sex, lies—and a loss of trust

On the morning of Jan. 21, as the new scandal that threatens to overwhelm his presidency was leaking out all around him, Bill Clinton placed a phone call to a man who had gotten him out of some tight spots before. He called Dick Morris, his former political adviser who himself had been displaced by an odd sexual relationship. As Morris related their conversation last week, Clinton was shaken and close to tears. The stories flying around about him and young Monica Lewinsky were false, he insisted, but he admitted that he did do "something" with her. "Ever since I was elected President, I've tried not to do the kind of thing," he told Morris. "But I just slipped up with that girl."

Some slip—a tawdry, 18-month liaison that finally last week forced Clinton to look into the TV cameras and come as close as he could manage to apologizing for committing adultery and then lying about it. That was plenty bad, but Morris's account of Clinton's early reaction to the scandal made clear just how badly politicized it was. The President, he said, initially considered coming clean with a public confession and appeal for forgiveness. That would have been refreshingly straightforward, and would have spared the country some acrimonious months of charge and counter-charge over Jeffrey Lewinsky. But no.

First, Morris and Clinton agreed, they should conduct a poll to find out whether Americans were prepared to forgive their President. The answer came back: No. And so Clinton did not leap up, but instead denied all and sent his supporters out to attack those who doubted him. Only last week, backed into a legal corner by his relentless foe, special prosecutor Kenneth Starr, did he finally admit publicly that he had had an "inappropriate" relationship with the young intern and say he was sorry—or not.

The speech—perhaps the most important four minutes and seven seconds of Clinton's political life—was bound to be a turning point. He felt he gave it, his advisers had deeply hoped that, as he had done so often, he would send the moment and turn looming disaster into an opportunity for redemption. Americans, went their counsel, are a forgiving people. Given the chance, they wanted nothing more than to end the appalling spectacle of a President tormented by constant chatter about "sex act" steps from the Oval Office and of "toxic material" inadvertently left on a dress. Here's the bad, his advisers in effect told Clinton, let it out of the park. Instead, on the pre-announced occasion of his address, the President only dug himself a deeper hole. His disapprobation his friends, enraged his more moderate opponents—who might have been persuaded to let him off with a slight nod—the worst—

ANDREW PHILLIPS  
IN WASHINGTON



Lewinsky: the Clintons on the day after the revelation (right): slipping himself in deeper

## The President finally admits to a liaison with Lewinsky

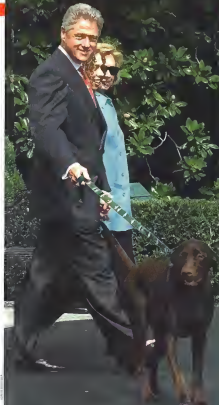
openly broke party ranks and called on the President to resign. Others stayed quiet or voiced their anger under cover of anonymity. Like the three-term Democratic congressmen who said bluntly "No one's going to put their son on the line for Clinton—not after this."

The President's decision to tell his story in the grand jury case on July 26—the day after Lewinsky said her deal to testify in return for immunity from prosecution that it was only in the few days leading up to his appearance that he impulsively came to grips with exactly what he would say—to the jury, to the public, to his daughter, Chelsea, and to his wife. From the moment the scandal erupted in late January, Hillary Clinton has been crucial to her husband's survival. She stood beside him in the Roosevelt Room of the White House as he waded his finger at the TV cameras and delivered a marriage-only defense. "I did not have sexual relations with that woman, Ms. Lewinsky. I never told anybody to lie, not a single time, never." Then, she took to the airwaves herself and laid the whole mess on a so-called videotape conspiracy unit to bring down her husband. She provided him with vital political

and fully lived up to his reputation as a man to whom the truth does not come easily. Before The Starr and Clinton's four hours of testimony by video camera before Starr's grand jury, there was a possibility that last week might have marked the beginning of the end of the scandal. After so long, everyone knew that it would go on and on for many more months—with Starr wrapping up his investigation and the Republican-dominated Congress weighing whether his findings are serious enough to warrant censuring, or even impeaching, the President.

Even if Clinton's his last term in office, the scandal has already cost him grievously. More than most presidents, he has read deeply in American history and raved openly about his legacy, how future historians will one day judge the Clinton years. The Lewinsky affair has already costered most of his sixth year in office, generally regarded as the last few a two-term president can hope for big accomplishments, and threatens to stretch well beyond that.

The open questioning of Clinton's motives after last week's massive strikes against Serbia and Afghanistan emphasized just how much his credibility has suffered. As presidential historian Robert Dallek of Boston University put it in an interview: "For presidents, trust is the coin of the realm. You need it to have any credibility, and how can you create a groundsweeper in the country or the Congress for anything if you have no credibility?" With Clinton's trustworthiness so badly undermined, came the Dallas "Friday, I think, he is largely crippled now." Only one Democratic congressman, Paul Hefner of Pennsylvania,



## 'NOT THE BEST DAY'

"I was present in the Roosevelt Room in January when the President categorically denied any sexual involvement with Monica Lewinsky. I believed him. His remarks last evening leave me with a deep sense of sadness in that my trust in his credibility has been badly shattered."

—Senator Dianne Feinstein, California Democrat and close Clinton ally

"The President entered into a merely regrettable relationship, his first under oath and he almost certainly used government resources and employment opportunities to encourage Monica Lewinsky's silence. . . . With great sadness, I have concluded that President Clinton should resign or face impeachment."

—Representative Paul Hefner, Pennsylvania Democrat

"Given Republicans and [prosecutor Kenneth] Starr want us and the American people to know every last detail of the President's sex life. Quite frankly, we don't want to know. It's almost as if they won't be happy until they get the President in stocks and have a public flogging."

—Senator Tom Modis, Iowa Democrat

"Clearly, this is not the best day in Mrs. Clinton's life. This is a time that she relies on her strong religious faith. She's committed to her marriage and loves her husband and daughter very much and believes in the President, and her love for him is compassionate and steadfast."

—Hillary Clinton's spokeswoman, Monica Avery

"Men like Mr. Clinton do not take responsibility for their conduct because it is the right thing to do. They do it, if at all, because they are forced to."

—Paula Jones, who sued Clinton for sexual harassment



## Clinton has always been famed for having perfect political pitch—but this time his instincts failed him. 'What a jerk,' snapped Senator Orrin Hatch.

coast, especially among women voters. If Hillary can accept whatever happens, then she has lost, then she can win.

For that approach to work, however, Hillary Clinton had to believe Bill's denials—or at least he seemed to believe them. Otherwise, she was simply contradicting his description. So by Monday, as the President endured a grueling afternoon of cross-examination by Starr and his investigators, the White House began to put out the story that it was only very late in the previous week, or even over the weekend, that Hillary had learned the full extent of her husband's behavior. But she had already said that Lewinsky had begun a relationship in the fall of 1995. It became another and went on for some 18 months, even after White House aides became alerted at Lewinsky's casual familiarity with the President and called her to a low-level job at the Pentagon.

That account may or may not be true. It hinges, at large part, on one of the central questions of this drama: the nature of the relationship between Bill and Hillary Clinton. Could it really be, as so many have said, that a smart, savvy lawyer like Hillary Clinton could believe her husband's professions of transparency—when his weakness for other women is legendary and just about no one else in Washington bought his story? Perhaps. Otherwise, would she really have not publicly dug for a President to conceal adultery and think about it would be "a very serious offense"? And whether she believed him or not, the idea that he shaped her is central to this story. "It's a way of changing her credibility and creating a kind of sympathy for her," says Dulick. Once again, those who choose to look behind Clinton can repeat the tale. If Hillary can stand it, so can we.

At any rate, by Sunday morning when she was back publicly at his side, stimulating church and then helping to draft the speech he would give the following night. By most accounts she sought it—insisting that the President add a scathing assault on Starr's words of condemnation by his political advisors. (There are good reasons for believing that Starr has portrayed her as well as her husband, though her role to testify four times as part of his four perjury inquiry into the Whitewater scandals fed her anger at her husband, say some observers, may well come from fury that his would-be co-conspirator has felt them open to renewed assault from their common arch-enemy.) By late Sunday evening, Jesse Jackson, who has become the Clinton's liberal spiritual counselor, was at the White House, talking to the whole family. According to the account Jackson later provided on every available network, the President was repentant but comforted by the words of Psalm 51: "Have mercy on me, O God . . . and cleanse my sin as I am." Hillary, and Jackson, was humiliated. "That tour was my life," he added, "will survive all this."

The next day, Clinton had to sit through the four hours of close questioning from Starr and his dozen prosecutors at the White House Map Room. Accounts that quickly linked her agree that the session began in a tense, hot-house-silly fashion: The President read a statement acknowledging that he had had an "inappropriate" relationship with Lewinsky that he had asked given her gifts, including a book of poems and a T-shirt, and that they had discussed ways of keeping their liaison secret.

But he did not provide details of what kind of sexual activity went on between him and Lewinsky, who was just 22 when the relationship began because intimate. He maintained that he had been truthful last January when he said under oath, in a casual conversation with his lawyer, by former Arkansas state employee Paula Jones, that he had not had a sexual relationship with Lewinsky. That all hinges on the definition of sex—Clinton was evidently insisting on an extremely

narrow written definition in the Jones case that could arguably exclude sexual acts, such as oral sex, that Lewinsky has said they engaged in. The present details of what exactly the two were up to in Clinton's small private study beside the Oval Office may be discarded, but they are important to Starr's case against the President. If he had about having sex, he may have committed perjury—but there is no way of determining that unless Starr can find out what the two did together. It may also be important politically: there were widespread rumors in Washington last week that Lewinsky had testified to engaging in oral sex with Clinton that may set off full order the definition of "sexual relations" he was given in the



Starr (right) looking confident despite public opinion, the case will not disappear

Jones case, but might well be considered denigrating to women. If that becomes public—and just about everything in this case eventually does—it would further humiliate the President and could cut into his still-struggling support among women.

Finally came the speech, while Clinton was still in the afternoon of rage at what he considered Starr's unbridled prying into the most private aspects of his life. For two days, his advisors had been fighting over just what he should say—with his political aides pressing him to make a clear statement of contrition, his lawyers cautioning him not to say anything that would put him in legal jeopardy, and some hardliners, including Hillary, urging an attack on Starr's seemingly endless story. The statement he eventually delivered to the media says 12 million Americans who loved it, in the words of Stanley Ikenberry, a political scientist and psychiatrist at the City University of New York. "I know," Bill Clinton.

He acknowledged that he did have "a relationship with Monica Lewinsky that was not appropriate. In fact, it was wrong." But he did not say that he had in January when he met the opposite instead, he

said only that "I misled people, including even my wife." He did not apologize, but only that his actions "constituted a critical lapse in judgment and a personal failure on my part for which I am solely and completely responsible." And in a phrase that is bound to go down in the history books as a classic example of lawyerly evasion, he insisted that when he said Jones's lawyers in January that he did not have a sexual relationship with Lewinsky, "My answers were largely accurate." Then came a plea for privacy: "Now this matter is between me, the two people I love most, my wife and our daughter, and our God. It's nobody's business but ours." And finally the blistering assault on Starr, which had the effect of turning a personal appeal for understanding into just another salvo in a political trench war.

Clinton has always been famed for having perfect political pitch—drawing exactly the right words in any situation. If the reaction that followed his speech was any guide, Monday night was the moment his instincts failed him. Even supporters' Democrats started to feel something like—over 50 percent. But a survey by ABC News found that fully 73 percent of voters believe he is not honest and trustworthy, and 58 percent think he did obstruct justice in the Lewinsky case.

Ordinary Americans have, by and large, not turned so negative. The blizzard of instant post-speech polls showed Clinton's job approval rating starting high and ending—over 50 percent. But a survey by ABC News found that fully 73 percent of voters believe he is not honest and trustworthy, and 58 percent think he did obstruct justice in the Lewinsky case.

The public's other heartfelt opinion, that the scandal should now disappear, is definitely not going to be fulfilled. On the evening after Clinton's speech, Starr was back at work, summoning other witnesses before his grand jury—including Lewinsky for a second appearance. He was, the inevitable leaks indicated, exploring contradictions between her story and the President's, presumably to use if there is more evidence that he lied or obstructed justice. By the end of September, Starr is expected to deliver a voluminous report on his findings to Congress, a report that itself is almost certain to leak to the media.

And it won't stop there. Most observers believe Starr will spell out enough evidence of serious wrongdoing by the President to require the House of Representatives' Judiciary Committee to hold hearings on the reports. That could well lead the House to appoint a new congressional committee to conduct an inquiry, which in turn would mean additional hearings. Witnesses whose stories have already become familiar through leaks and partial reports—including Lewinsky, her former friend, Linda Tripp, and even the President himself—could be subpoenaed to give evidence in a public replay of the whole messy saga. That would mean many more months of scandal obsession and a presidency dragged further into disrepute. Public criticism, some predict, could also finally turn against Clinton. "This will define the rest of his presidency. I don't think he will find his term in office," says independent politician Ed Zenger. "This is the first time I've seen numbers that suggest that option. This is not going away under President Jones."

In the shorter run, November's mid-term congressional elections are likely to focus more on the so-called morality issue than had been thought. Criticized by the Republicans' tactics are to stay quiet and wait until Starr presents his report. But fact contributors are beginning to make Clinton's extramarital sex and public life issues in North Carolina. A Republican candidate is running the first TV ad focusing on the Lewinsky affair with a picture of Clinton and the letters and the words "Sexual abuse scandal, day after day." After last week, that seems less like an accusation and more like a simple description of fact.

With ROBERTA LOWMYER in Washington



Making his admission last week, 'it was wrong'

## TRAIL OF DECEIT

President Bill Clinton on the record:

### JAN. 17, 1995

"I have never had sexual relations with Monica Lewinsky. I've never had an affair with her."

—In his deposition to the Paula Jones suit

### JAN. 21

"There is not a sexual relationship, an improper sexual relationship. I didn't ask anyone to go in there and say something that is untrue."

—In an interview on PBS with the Clinton

### JAN. 21

"I don't know any more about it than I've told you, and any more about it, really, than you do. But I will co-operate. The charges are not true. And I haven't asked anyone to lie."

—On National Public Radio's All Things Considered

### JAN. 26

"I want to tell the American people something and I want you to listen to me. I did not have sexual relations with that woman, Ms. Lewinsky. I never laid anybody to bed, not a single time, never. These allegations are false."

—At a Clinton event at the White House during First Lady Hillary Clinton

### AUG. 17

"Indeed, I did have a relationship with Monica Lewinsky that was not appropriate. In fact, it was wrong. It constituted a critical lapse in judgment and a personal failure on my part for which I am solely and completely responsible."

"But I told the grand jury today and I say to you now that at no time did I ask anyone to lie, to hide or destroy evidence or to take any other unlawful action. I know that my public comments and my silence about this matter gave a false impression. I misled people, including even my wife. I deeply regret that."

—On television hours after testifying before the grand jury

# Can this marriage be saved?

BY JANE O'HARA

When Hillary Rodham Clinton first arrived in the White House six years ago, she said she didn't like rockers or have any interest in redecorating the Lincoln bedroom. An sensitive lawyer, she was intent on rewriting the rules of being First Lady. In 1983, her husband put her in charge of overhauling the nation's health-care system. But health-care reform failed, and Hillary's public approval ratings hit rock bottom. Soon, her business suits were replaced by gowns and pearls and she was talking less about Medicaid than about menu changes at the White House—broccoli was in and heavy French cooking was out. Last Monday, as her husband told the world that he had cheated on her with White House intern Monica Lewinsky—the latest in a long list of his mostly rumored sexual infidelities—her transformation from power feminist to loyal, long-suffering First Lady became even starker. Not surprisingly, her approval ratings—46 per cent—have never been higher. "Hillary Clinton was going to break the mould of the First Lady," says Gil Troy, an American historian at McGill University and author of *The Rise and Rejection of the American First Couple*. "But she had to reconstruct her public relations by becoming a traditional, silent 1950s housewife. Now, I'm sure it's hard for her to distinguish between her absolute anger at Clinton in her husband cracking up their marriage, and her anger at him as her political partner cracking up their joint professional project, the presidency."

For many experts trying to parse the complicated system of the Clintons' relationship, that is the central question: do they have a traditional marriage or a business partnership, where the President has been granted privileges to play around. "I don't know what happens they've made with one another," says psychiatrist Peter Kramer, author of the best-selling *Shrink Your Lizard*. "But the great question is: is it a marriage of state or a 20th-century romantic marriage? Is Hillary naive and vulnerable or tough and savvy? That's what interests people about this."

Hillary Clinton is hardly the first American woman, or even the first American First Lady, to be married to a philandering husband.



(Although she may be the first wife ever to endure the spectacular scandal of having her husband's sexual habits, right down to the curve of his penis, become fodder for countless news shows and late-night comedians.) In the annals of recent presidential history, Franklin Delano Roosevelt had a mistress, John F. Kennedy had more than his share of mistresses, and these two got away with it, preying on the raw nerve of the wacky American media that now considers the most private of conduct fair game for political reporting. On the presidential scene, the watershed event occurred in 1967, when reporters caught married Democratic candidate Gary Hart with his girlfriend, Donna Rice, after he had challenged them to prove rumors of his infidelity.

While American politics have never been the same, American infidelity has never been less. Shirley Glass, a Maryland-based marriage therapist who has studied infidelity for the past 22 years, says that sexual behavior studies from Kinsey in 1953 to the Hale Report in 1981 show wildly varying rates as low as 25 per cent and as many as 75 per cent of American men cheat on their wives. Glass's own research on the subject puts the number at about 50 per cent. Gil

Tracy on *Star Trek's Voyager* last week, Troy (he's on "To sin, women are either leeches or are there for the sexual picking").



## T A K E the Time FOR A Fall Getaway

**Festival  
Shaw  
1998**

*Catch great theatre in Niagara-on-the-Lake!*

Call for Tickets and Information on Fall Packages

Show Festival Box Office  
1 800 511-SHAW

www.shawfestival.com



	DATE	TIME	FILM	THEATRE	SEATING	START	END	POSTER	PRICE	SEATING	SEATING
Tuesday	04 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Wednesday	05 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Thursday	06 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Friday	07 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Saturday	08 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Sunday	09 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Monday	10 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Tuesday	11 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Wednesday	12 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Thursday	13 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Friday	14 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Saturday	15 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Sunday	16 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Monday	17 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Tuesday	18 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Wednesday	19 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Thursday	20 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Friday	21 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Saturday	22 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Sunday	23 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Monday	24 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Tuesday	25 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Wednesday	26 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Thursday	27 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Friday	28 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Saturday	29 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Sunday	30 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00
Monday	31 Aug	10:00	12:00	14:00	16:00	18:00	20:00	22:00	24:00	26:00	28:00

these, she says, 50 per cent also report that although they are cheating, they are happy with their marriages.

According to Glass, promiscuous men break down into roughly two types. One group is addicted to the risk of flack sex, which helps them fill an emptiness inside. The other comprises a sense of entitlement as a just another perk of executive power like a chauffeur-driven limousine or a membership at a golf club. "A man who is entitled," says Glass, "thinks that casual sex is male privilege. When it's available they take it and feel no guilt." Glass will not offer an opinion on which category Clinton belongs in—but she is clear in calling the president an "act of self-destruction." Given his "position and the scrutiny he is under," says Glass, "if some action is inconceivable that he would take these kinds of risks. Either there is a tremendous defiance, or a tremendous lack of control."

As the Clinton drama played out on television last week, looking ever more like an episode of *The Jerry Springer Show*, there was no shortage of chatter: any-chicken from the left pulled out various historical precedents also putting their minds to the conundrum how could Clinton be so stupid? McGill's Troy, who has studied presidential couples from the Transcendentalists to the Clintons, believes that the roots of Clinton's sexual troubles go back to his late mother. "Virginia Kelley was a Southern woman who dated on her own but, Bill, grew him the master bedroom of her husband's bed. According to Kelley's biography, she was appalled when she first met Hillary Rodham, her soon-to-be daughter-in-law, in the early 1970s. "Virginia Kelley was something straight out of a 19th-century novel," says Troy. "She spent about an hour and a half each morning getting on makeup and when she first saw Hillary with her stringy hair and thick glasses, well, this was not the kind of woman she'd raised Bill to go after. She raised him to go after Arkansas beauty queens." According to Troy, Clinton's emotional struggles have been between Balboa and Hollywood. "On one hand," says Troy, "he's the guy who loved Attorney General Janet Reno and Secretary of Health and Human Services Donna Shalala and has all these deep intellectual and professional relationships with women. On the other hand, he goes after the girls with the big hair. To him, women are either lesbians or are there for the sexual pleasure."

While the First Family retreated last week for a vacation on Martha's Vineyard, many psychologists agreed that the person to pay

the highest cost for Clinton's philandering may be their daughter, 38-year-old Chelsea who is entering her sophomore year at Stanford University. For the past 20 years, 7-year-old Linda Perle has worked with troubled children and adolescents, most of whom are products of divorce. "There's no question this would be very painful for Chelsea," says Perle. "She must be deeply distressed. I can't imagine it otherwise."

In some ways, adolescents have a more difficult time dealing with family rupture than do younger children. Teenagers are highly critical of their parents' blunders and have already begun to develop serious self-esteem as identity or drunk driving. They are also at a stage where they do not want to deal with their parents' sexuality. Chelsea, says Perle, "is still holding herself and her parents to some kind of ideals that haven't yet been tested in the world. Will she be able to honestly express her feelings without feeling she's betraying her father? After all, she sees her mother at least publicly, standing by him. In some ways she's better off when the mother is saying 'You asshole. You hurt me.' Hypocrisy is the real bupkis of the adolescent."

In his address to the nation last Monday, Clinton said that his wife and daughter were the two most important people in his life and that he was going to work with the "two women" that he said "hasn't yet been tested in the world." But can this agreement be saved? Much depends on Hillary. Kramer was equivocal when asked the question "Should she leave?" "It depends on what the bargain is," he said. "If she is someone who wanted stability, romance and security in her private life, she should have left long ago. If she always wants to do it at the center of things, she is emotionally self-sufficient, she is doing the reasonable political thing."

But some commentators led Hillary Clinton has few options. Diana Steinhilber, a political scientist at McGill with a background in psychoanalytic training, thinks she will stay in the marriage for the short term. "If she leaves," says Steinhilber, "all of their projects would be down the drain. She's disciplined and likes the perks of power and has a legitimate agenda. If she becomes a private person, she can do none of those things." Still, if the marriage into remote island, Steinhilber believes that Hillary will have to seal her pride and Clinton must start making sacrifices to keep his wife and his daughter. His prescription for the week to come? "Maybe," says Steinhilber, "he won't play golf for a while and will actually spend a little time with the two of them."

## Hillary wanted to break the mould—but not this way



**AF28-200mm**  
F/3.5-5.6 ASPHERICAL IF

- Best optics Best handling. Over all Best Buy! - Photo Business Magazine 9/94
- Best of World's Best Gold Medal
- Most Service Magazine 9/94
- Most Buy! - Photo Business Magazine 9/94
- Best lens-Grand Award
- Best lens-Grand Award
- Lightweight compact. Short 80mm length
- Available for Canon, Minolta, Pentax and Nikon D auto-focus SLR cameras. Also for most manual focus SLRs



**TAMRON**  
SUPERIOR OPTICS FOR BETTER PICTURES  
Distributor: Camera Concepts Inc. 1000 W. 1st St. Ste. 200  
Vancouver, B.C. V6C 2G8

# FAST AS SHAVING, SIMPLE AS SHAMPOOING...



AND, BE PREPARED TO LIVE UP TO  
THE NEW YOU.

AVAILABLE IN A FULL RANGE OF SHADES. VISIT [WWW.JUSTFORMEN.COM/CA/ALPHA](http://WWW.JUSTFORMEN.COM/CA/ALPHA)

## World NOTES

### HONG KONG ASSAULT

Radio talk show host Albert Cheng, 82, was attacked by two men armed with a meat cleaver while on the way to his morning broadcast. Surgeons had to work eight hours reconnecting muscle and nerve tissue in one arm and a leg. Cheng, once a prominent member of Hong Kong's Chinese community, is highly popular for his sharp-tongued attacks on the rich and powerful.

### TOURIST RELEASED

Canadian tourist Donald James Reid, 54, was released unharmed by Rwandan rebel kidnappers. His last group was traveling in motorbikes on the border when Uganda, Rwanda and Congo took an area that is home to endangered gorillas—where the rebels seized them on Aug. 11. Three other foreign tourists and seven Congolese employees remained captive.

### CAMBODIAN COMPLAINT

Cambodian opposition politicians accused Theo Noel, a senior Canadian adviser to their country's National Election Committee, of bias in favor of Prime Minister Hun Sen's ruling party. A leaked document sent by Noel to the Canadian ambassador sharply criticized opposition parties for failing to recognize Hun Sen's July election victory. Noel said the letter contained his personal views.

### ANNE FRANK DISCOVERY

Five missing pages from Anne Frank's famous diary were found in Amsterdam. Frank was the Jewish teenager who famously recorded her family's attempt to hide from the Holocaust in Amsterdam. She died of typhus in the Bergen-Belsen concentration camp at age 15, only weeks before its liberation. The pages were removed by her father, the family's only survivor, before he published the diary in 1947, because they contain a harsh description of the family's marriage.

### BURMESE PROTEST

Supporters of Burmese opposition leader Aung San San Kyi vowed to open the parliament elected in 1990, a direct challenge to the military government. Nobel Peace winner San Kyi, whose party was not allowed to take office, remained in a car at the side of a road outside Yangon, where she has stayed since Aug. 12 protesting restrictions on her right to travel.



**RIVER BATTLES:** Chinese soldiers struggle to build a sandbag dike along the Songhua River to prevent floods from inundating the city of Harbin, 1,100 km northeast of Beijing, in the largest military mobilization since the Communist victory in 1949, troops across northeast and central China fought to hold back rain-swollen rivers. The country's worst flood season in 50 years has left 1,600 dead and millions homeless. Much of the Yangtze River in central China has stood above emergency levels for a month, and water could cover surrounding farmland until mid-September. Further north, the Nen River overwhelmed two dike systems and submerged more than 1,200 wells at the Daqing oilfield—the site of 15,000 wells producing more than a third of the nation's oil. At week's end, soldiers were piling more sandbags on a third embankment, the last defense protecting the oilfields and Daqing city's 2.3 million people.

## An apology for Ulster's horror

As the people of Orange, Northern Ireland, completed three days of marches for the 28 victims of a car bomb that ripped through their city centre, the self-styled Irish IRA—a splinter group that rejects the Irish Republic Army's 1997 ceasefire—admitted responsibility for the blast. But not for the appalling casualty toll—in addition to the dead, more than 220 people were injured in the worst terrorist act since the Irish conflict began in 1969. That, a spokesman claimed, was the fault of the authorities, who either ignored or misinterpreted the group's warnings. Police, meanwhile, and the bombers deliberately gave them false information that led officers to shepherd people

directly into the path of the Aug. 15 explosion. The Real IRA offered "apologies to the civilians" and proclaimed a ceasefire. But the movement was greeted by revulsion in religiously mixed Orange, where both Catholics and Protestants had victims to mourn. "There are no more dead because of them," said one resident. "No words or statements can put that right." The politicians were silent in their response. The British and Irish governments co-ordinated their search for the bombers. And Irish Prime Minister Bertie Ahern announced what he called "firmest" anti-terrorist legislation, including the power to detain suspects for up to 90 hours.

## Fears rise of a wider African war in Congo

Central Africa feared the brink of a regional war as Zimbabwe began deploying troops in support of besieged Congolese President Laurent Kabila. His forces have been under attack since earlier this month, when rebel troops that Kabila says are backed by Rwanda began their assaults in the east of the country. The conflict first simmered in central Congo's capital, Kinshasa, where residents were already struggling through power outages and dwindling food stocks. According to rebel reports, Angolan soldiers also began arriving in Kinshasa to help Kabila. "If Rwanda does not withdraw," Health Minister Jean-Baptiste Sondjé said, "we risk a war of a hundred years."

Race.  
Win.  
Learn.



Then start all  
over again.

In 1999, Honda won CART's  
*Triple Crown of racing.*

Yet, despite our success, the next  
season we discarded our winning  
engine in favor of a totally new  
design. And still claimed a One-  
Two-Three Championship finish.  
So why would Honda gamble so  
much on new, unproven technology?

For one simple reason. It is only by  
reinventing ourselves that we can  
continue to build winning race cars.  
And winning race cars are the seeds  
for better road cars.

It is on the racetrack where Honda  
engineers test, and push, radical new  
techniques to the limit under the most  
severe driving conditions. And it is  
our learning on the track that ensures  
Honda will continue to turn out  
some of the most rewarding cars in  
the world to drive. After all, it's not  
just any Honda we're starting over  
again on here. It's every Honda.

**HONDA**





While in attendance using his economic sense to temper expectations and hold off demands for new spending plans

# Mister Prudence

BY JOHN GEDDES  
AND MARY JANIGAN

**F**inance Minister Paul Martin has a knack for tamping hot economic news to good political effect. When he was planning his assault on Canada's deficit in early 1995, the financial meltdown in Mexico threw markets into turmoil, driving down the Canadian dollar. Martin used that crisis to persuade reluctant Liberals that deep spending cuts were needed to restore international confidence in the economy. This year, grim economic news from Asia and Russia, coupled with renewed worry over the Canadian economy's slowing momentum, has again undermined the loonie, which closed last week at 84.74 U.S. cents, another record low. Again, Martin is using the unsettled climate to fuel message expectations. With a multi-billion-dollar surplus looming in the books, the appetite of many politicians here has been whetted for new spending. Martin is countering

that clamor for cash with caution. "When something like the Asian crisis comes along, yes, it's going to affect our members," he told *Maclean's*. "But because we were prudent, we're OK. I never believed that we were going to have these huge surpluses that people were talking about."

Martin's predicament is that the latest increasing market calls for more cash and large tax cuts at a time when slowing economic growth may erode federal tax revenues. Most private economists are still predicting large federal budget surpluses starting in the current 1998-1999 fiscal year and growing through the rest of the government's mandate, which ends in 2006. Although Martin's officials do not deny that there will be surpluses, they warn that many private forecasts of the size of the surplus, which range up to \$10 billion in 1998-1999, may now be overly optimistic. They will not, however, provide their own estimates. Political insiders are anxiously aware of what Martin is attempting, and the lightning he must walk. "It clearly serves Paul Martin's interests to dampen expectations," says Toronto-area Liberal MP John

## BUDGET PLANS

*Maclean's* has learned that Finance Minister Paul Martin is considering the following proposals for presentation to the cabinet:

- ▶ No anti-budget bill this fall
- ▶ No spending in the 1999-2000 budget would focus on only one area: health. Ottawa is prepared to give the provinces more money in return for a promise to spend it on health care.
- ▶ Postponement of plans for a federal-provincial home-care program
- ▶ Renewing his commitment to pay down the \$58.3 billion federal debt.
- ▶ No across-the-board cuts in tax rates.
- ▶ An increase in the basic personal exemption, now set at \$6,456.
- ▶ Adjusting tax brackets so people can earn higher income before paying more of it to the government.

Godfrey. "On the other hand, he can't overdo it. He were too glowing, that would have a self-fulfilling prophetic quality. The dollar wouldn't hold up."

Prudence, finance officials say, is the watchword. In his interview with *Maclean's*, Martin touched on the need for spending on health, education and research but put more emphasis on the need to shrink the size of the \$58.3-billion debt in relation to the size of the economy and on the need to bring interest rates closer to lower U.S. levels. "We have got to get that debt-to-GDP rate down substantially," he said. "We have got to get ourselves more competitive from a long-point of view."

To that end, *Maclean's* has learned, Martin wants to limit any major new spending in his budget for 1999-2000 to health care—despite demands for more funds from almost every ministry. It is unhelpful to offer across-the-board cuts in government income taxes—because it would be almost impossible to raise taxes again if need be. Instead, with backing from Prime Minister Jean Chrétien, Martin is considering an increase in the basic personal tax exemption—now \$6,456—or increases in the amount that taxpayers can claim before they move into higher tax brackets. Investors add that the confidence boost in stock markets will not push Ottawa into such precipitous action as a tax budget and a dose of economic stimulus from large tax cuts. "There is a great fear now that expectations will outweigh the government's ability to deliver," warned a finance-department insider. "That's more true on tax cuts than it is anywhere else. We have got to get these expectations down."

Martin itself sounds like someone leery of contradictory pressures. In his remarks to *Maclean's*, he carefully balanced every expression of confidence in the economy with an on-the-other-hand warning about the need for caution in light of the economic situation in Asia. The confident upbeat side is aimed squarely at financial markets, which have traded down the dollar. The more cautious side appears to be directed at politicians who are demanding higher spending. That caution was reinforced by more bad news last week. The CBC and Canada's *Financial Post* reported that for the second time in three weeks and Statistics Canada reported that corporate profits, a key indicator of economic health, fell for the second consecutive quarter. Meanwhile, the Alliance of Manufacturers and the

## FEELING THE ILL EFFECTS

*Financial markets have been in turmoil this summer as the economic impact of the Asian crisis has been felt. How do you see the economy in the future?*

**Maclean's:** How is the Asian crisis changing your thinking about where the economy is headed?

**Martin:** No country, certainly not one that has 40 per cent of its gross domestic product dependent on exports, is going to be unaffected by things that happen in the world's advanced economies. Japan, and in what was the fastest-growing region, essentially Asia. The United States trades with these nations more than we do, and when the United States doesn't sell us the goods we need, it's a big thing in the effect on commodity prices.

There is a perception that Canada is much more dependent on commodities than we really are. They act as if we depend on 30 per cent of our GDP. Asia will affect us because we are a commodity producer. But it is very important to understand that Canada is a much more diversified economy than the world thinks.

**Maclean's:** How do you respond to

those who suspect your warnings about the impact of Asia are another example of how you dampen expectations?

**Martin:** Nobody stashed the business cycle. Everybody who plays in it goes up and down obviously hasn't lasted much longer than about two years. Would I have predicted Asia or Russia two years ago? No, but you are bound, in an interdependent global economy, to have regions of the world that are affected by one thing or another.

Because of the prudence we have built into our budgets, our targets are all going to be affected. When something like the Asian crisis comes along, yes, it's going to affect our members. But because we were prudent, we're OK. I never believed we were going to have these huge surpluses—people were

three, four, five years ago. **Maclean's:** Given the problems of the Canadian dollar, do you have to be cautious in the next budget not to spoil financial markets?

**Martin:** I will not comment on the dollar. What I will say is that however that Canada did what it did over the past two years. But clearly the dollar is not over. We've got to get that debt-to-GDP ratio down substantially. We've got to get ourselves more competitive from a tax point of view.

## GROWTH MATTERS

*Slower economic growth will reduce federal revenues and push in smaller government expenses. Here's a look at the impact of the Budget 1998 on the effects. (Dollars in billions of dollars.)*



porters. Canada warned that economic growth may slip to 1.5 per cent next year from this year's 2.8 per cent.

Lower economic growth will reduce federal revenues and push in smaller government expenses. Here's a look at the impact of the Budget 1998 on the effects. (Dollars in billions of dollars.)

Lower economic growth will reduce federal revenues and push in smaller government expenses. Here's a look at the impact of the Budget 1998 on the effects. (Dollars in billions of dollars.)

Lower economic growth will reduce federal revenues and push in smaller government expenses. Here's a look at the impact of the Budget 1998 on the effects. (Dollars in billions of dollars.)

## BE A PUBLISHED WRITER

### Make money writing & earn while you learn.

The Writing School's home study courses show you how to write articles, short stories, novels and scripts that will sell on the open market.

Your paper will review your work showing you how to write material that is fresh and profitable.

In fact, if you haven't received your first sale by the end of the course, **YOUR \$1000 RETURN A FULL REFUND.**

Send or call today for the FREE book that explains it all.

**TUUL PRICE: 1-800-267-5829**

**The Writing School**  
38 McArthur Avenue, Suite #203  
Ottawa, Ontario K1L 6R2

## A Message to our Readers about "Scent Strips"...

### Occasionally

"Maclean's" will include advertisers' name strips in its issues.

If you prefer to receive our free issues please advise our Customer Service Department.

Simply call us toll-free at 1-800-Maclean, 596-5523 in Toronto (9 a.m. - 7 p.m. EST) and we'll make sure your copies do not include name strips.

**Maclean's**  
McGraw-Hill Inc. (McGraw-Hill)

## BUSINESS

who do not share his sense of cautious conservatism. Peter Drake, deputy chief economist at the TD Bank, says that Ottawa should not add another \$20 billion to \$10 billion in 1998-1999. Next year, the bank expects that the so-called fiscal dividend—which is the amount of extra revenue that Ottawa will have above that amount that it requires to pay for current programs—will hit \$12 billion to \$15 billion. "On the flip of it, there are some very large potential spending programs," says Drake.

Such optimism has triggered a furious private sector debate over the size of the surplus and the need for immediate tax cuts. Neilson Burns, chief economist at Sherrill Cooper, says that Martin should cut personal income taxes in a full next budget to stimulate the faltering economy. That is, it would allow the Bank of Canada to make a moderate increase in interest rates to share up the dollar. Although Cooper puts the size of the fiscal dividend at \$10 billion over the next three years, she has already said that she has 1998-1999 forecast to \$4 billion from \$10 billion—because of the slowdown. In contrast, John McCallum, chief economist at the Royal Bank of Canada, expects that the steadily higher interest rates could trigger a recession—and that "policy moves to cut taxes substantially and immediately would probably do more harm than good." Noting that the economy has already slowed, he calculates that the 1999 surplus will be closer to \$6 billion—instead of the \$9 billion he once predicted. "We are heading into a world which seems to have more downside risk, more turbulence," he says.

Recently emboldened by the prospect of a slowdown, provincial and federal politicians have been flooding Martin with policy requests. At their annual meeting last month, the provincial premiers asked for the restoration of up to \$6 billion in their annual cash transfers for health care. Nearly every federal department has plans for big spending. Industry Minister Jean Charest wants funds for high-tech infrastructure while Transport

### SUMMER SLUMP

The lender's while against the U.S. dollar



Source: Bank of Canada

Minister Don Coleman wants money for roads and railways. Despite these requests, Martin and his strategists will try to maintain tight control over the debate over what to do with the expected budget surplus. Early this fall the House finance committee, chaired by Martin's loyalist MP Maurizio Bolduc, will launch the country for pre-budget hearings. Martin's traditional economic statement in October—and his officials' own report behind the scenes—will be used to manage expectations. Political pressure from the opposition remains muted because of the impact of fragmentation on the Reform party and the Conservative leadership campaign.

As for the voters, many are still enjoying the last days of summer, relatively detached from the debate. Bragginton, Ont. MP Norberto Santoran, says he has received only 11 complaints about the falling dollar in the past three weeks—out of more than 750 calls. "More people will see the benefit of a lower dollar—except those who travel overseas," he says. But he adds: "When the prices of imports start to rise, pressure will mount." His news for many perhaps. But for Martin, a case of the economy, there could be as it gets the right side in the budget-balancing process.

who do not share his sense of cautious conservatism. Peter Drake, deputy chief economist at the TD Bank, says that Ottawa should not add another \$20 billion to \$10 billion in 1998-1999. Next year, the bank expects that the so-called fiscal dividend—which is the amount of extra revenue that Ottawa will have above that amount that it requires to pay for current programs—will hit \$12 billion to \$15 billion. "On the flip of it, there are some very large potential spending programs," says Drake.

Such optimism has triggered a furious private sector debate over the size of the surplus and the need for immediate tax cuts. Neilson Burns, chief economist at Sherrill Cooper, says that Martin should cut personal income taxes in a full next budget to stimulate the faltering economy. That is, it would allow the Bank of Canada to make a moderate increase in interest rates to share up the dollar. Although Cooper puts the size of the fiscal dividend at \$10 billion over the next three years, she has already said that she has 1998-1999 forecast to \$4 billion from \$10 billion—because of the slowdown. In contrast, John McCallum, chief economist at the Royal Bank of Canada, expects that the steadily higher interest rates could trigger a recession—and that "policy moves to cut taxes substantially and immediately would probably do more harm than good." Noting that the economy has already slowed, he calculates that the 1999 surplus will be closer to \$6 billion—instead of the \$9 billion he once predicted. "We are heading into a world which seems to have more downside risk, more turbulence," he says.

Recently emboldened by the prospect of a slowdown, provincial and federal politicians have been flooding Martin with policy requests. At their annual meeting last month, the provincial premiers asked for the restoration of up to \$6 billion in their annual cash transfers for health care. Nearly every federal department has plans for big spending. Industry Minister Jean Charest wants funds for high-tech infrastructure while Transport

Minister Don Coleman wants money for roads and railways. Despite these requests, Martin and his strategists will try to maintain tight control over the debate over what to do with the expected budget surplus. Early this fall the House finance committee, chaired by Martin's loyalist MP Maurizio Bolduc, will launch the country for pre-budget hearings. Martin's traditional economic statement in October—and his officials' own report behind the scenes—will be used to manage expectations. Political pressure from the opposition remains muted because of the impact of fragmentation on the Reform party and the Conservative leadership campaign.

As for the voters, many are still enjoying the last days of summer, relatively detached from the debate. Bragginton, Ont. MP Norberto Santoran, says he has received only 11 complaints about the falling dollar in the past three weeks—out of more than 750 calls. "More people will see the benefit of a lower dollar—except those who travel overseas," he says. But he adds: "When the prices of imports start to rise, pressure will mount." His news for many perhaps. But for Martin, a case of the economy, there could be as it gets the right side in the budget-balancing process.

Ross Laver



## The virtual exchange

With Asia in financial turmoil and North American stock markets falling sharply, it hasn't exactly been a happy summer for most investors. Just over the horizon, however, is even bigger upheaval in trading for Canada's securities industry. Within the next few months, the Ontario Securities Commission and its counterparts in other provinces are expected to table a series of regulatory changes that will revolutionize stock trading in this country. The new rules will affect everyone who buys and sells shares, from individual investors to huge pension and mutual funds.

Behind these changes is the imminent arrival in Canada of proprietary electronic trading systems, or PETS. Already well established in the United States, PETS are private, computer-based networks that execute all or part of the trading process. In so doing, they compete with conventional exchanges, particularly for the large block trades favored by institutional investors.

For close to a decade, the Toronto Stock Exchange and its Montreal cousins have fought to keep PETS out of Canada, arguing that they would fragment the market and make it harder for investors to know whether the prices they are being quoted are fair. A related concern is the impact of fragmentation on liquidity—how much buying and selling interest there is in a stock. If too much of the trading action takes place on private systems, retail investors could find it difficult to trade the shares they want, when they want.

Despite the potential drawbacks, few people doubt that electronic trading is the way of the future. Around the world, traditional trading floors are shutting down and being replaced by computers and high-speed data networks. The TSE has been at the forefront of this trend. In April, 1997, the exchange closed its 144-year-old trading floor and switched to a fully computerized system, a move that is expected to save its members \$4 million a year.

Until recently, the TSE was much less enthusiastic about the prospect of competition from private trading systems. In 1989, it opposed an application by Instinet Corp., a unit of Reuters Holdings PLC, to become a registered electronic broker for TSE members and institutional investors. The OSC approved Instinet's registration, but as an international dealer it is permitted to trade only in foreign securities not listed on a Canadian exchange.

Meanwhile, pressure for more sweeping changes is building. In April, the U.S. Securities and Exchange Commission voted to allow electronic trading systems to operate with minimal oversight. One condition is that systems handle more than 10 percent of the volume of a stock market's daily trading. For most stock markets, that's no small feat, so small investors are not left out of the loop. "Our basic philosophy is to get out of the way," SEC chairman Arthur Levitt said in announcing the policy.

Already there are at least 50 electronic systems operating in the United States, including Instinet, Tradebook and Pinst. The newest and most sophisticated service is run by OptMark Technologies of Durango, Colo., which uses a sophisticated policy that can reach thousands of buyers and sell orders in a fraction of a second, at lower cost than any human trader. Backed by Goldman

Sachs & Co., Dow Jones & Co. and several other big investors, OptMark will begin trading New York Stock Exchange securities August 1. A year from now, it will extend its reach to the Toronto, Vancouver and Canadian high-tech stocks.

For Canadian regulators, the issue is no longer whether to allow PETS into the country—technology and globalization have made that decision a foregone conclusion. The only question is how they should be regulated. Last year, a special TSE committee, chaired by Eric Kinnear, a professor of finance at the University of Toronto, recommended that private trading systems should be subject to a self-regulatory organization and should be required to integrate with an established Canadian exchange. These measures would protect small investors while allowing institutional investors to execute block trades at much lower cost. It remains to be seen whether Canada's securities regulators adopt that position, but no matter what happens to the stock trading business, it is in for a shaker.

**The imminent arrival of private trading systems promises to shake up Canada's stock markets**

Such a Co., Dow Jones & Co. and several other big investors, OptMark will begin trading New York Stock Exchange securities August 1. A year from now, it will extend its reach to the Toronto, Vancouver and Canadian high-tech stocks.

For Canadian regulators, the issue is no longer whether to allow PETS into the country—technology and globalization have made that decision a foregone conclusion. The only question is how they should be regulated. Last year, a special TSE committee, chaired by Eric Kinnear, a professor of finance at the University of Toronto, recommended that private trading systems should be subject to a self-regulatory organization and should be required to integrate with an established Canadian exchange. These measures would protect small investors while allowing institutional investors to execute block trades at much lower cost. It remains to be seen whether Canada's securities regulators adopt that position, but no matter what happens to the stock trading business, it is in for a shaker.

## Internet Advertising DIRECTORY

800-555-5555

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory

Internet Advertising Directory



## TARIFF ATTACKED

At the World Trade Organization, the European Commission is challenging Canada's 5.7-per-cent duty on vehicles imported from outside North America by companies that do not belong to the 1985 Auto Pact. The commission says the duty is unfair to European auto-makers, which exported about \$1 billion worth of cars to Canada last year. Volvo Canada Inc. is the only European company covered by the pact. Japan is also challenging the tariff.

## ANOTHER NAFTA SUIT

A U.S. company has lost the federal government with another NAFTA lawsuit, just weeks after Citicorp backed down in a similar case over a proposed ban on the gasoline additive MMT. S. D. Myers Inc. of Ohio, which treats transformers contaminated with polychlorinated biphenyls (PCBs), warned Ottawa it plans to use the investment protection measures under NAFTA to claim compensation for the federal government's 1996 ban on PCB reports to the United States.

## MORTGAGE RATES UP

CIBC raised mortgage rates for the second time this summer. Rates for a one-year mortgage rose 0.1 percentage points to 6.55 per cent, while the five-year rate rose 0.25 percentage points to 7.4 per cent. CIBC blamed the move on a falling dollar, which it said boosts its borrowing costs. Canada Trust had initially followed CIBC's lead, but then dropped its rates back down to 6.75 and 7.15 per cent, respectively.

## PHILIP RUNS SHORT

Stranded Philip Revenues Corp. revealed it has used up almost all of its available borrowing under a \$1.8-billion line of credit, leaving just \$25 million remaining. A spokesman for the Hamilton-based soap-maker said the company has enough financing to continue operations. But, the rapid decline in Revenu leaves little room for error for the company, which employs 14,000 workers.

## NEIVANA BUYS PUBLISHER

Children's TV animator Nelvana Ltd. of Toronto is buying Kids Can Press Ltd., Canada's largest English-language publisher of children's books. Nelvana will pay \$8.1 million cash and shares for the publisher of *Franklin the Turtle* and about 250 other titles.



## McUNION TIME:

Two teenagers, Jennifer Wolke, 17, (left) and Tessa Lowinger, 16, have helped organize the first McDonald's restaurant in North America. The Canadian Auto Workers union certification for the restaurant in Squamish, B.C., and hopes to expand to other outlets across the country. An earlier drive at a McDonald's in St. Hubert, Que., failed when the restaurant closed before the union could be certified.

## Market jitters make dollar fall

Another week, more market jitters. The Canadian dollar set another record low closing Friday at 64.86 U.S. cents, down 1.06 cents over the week. Stock markets were also mixed on Friday but recovered somewhat by the close. The Dow Jones industrial average dropped 77.8 but had been down 253 points before recovering. In Toronto, the TSX 300 composite index closed at 5,298.28, a drop of 126.73

points. The panic, which also hit markets in Latin America, Europe and Asia was not sparked by any one event, said Jim Montblain, managing director of equity trading at ScotiaMcLeod Inc. in Toronto. Worries persisted about political and economic instability in Russia and economic problems in Japan and Venezuela. U.S. bombing raids against suspected terrorist camps in Sudan and Afghanistan also shook the markets.

## Livent's fading star

The plot at Livent Inc. thickens. But the audience should not hold its breath waiting for a denouement. The producer of *Big Sister* remains the *Ragtime* and *Shogun* abductor because of theatrical circles on Aug. 10 when it is led co-founders Gerth Eshelbary and Myron Gindoff over their alleged efforts to take the Toronto company's financial troubles from its board of directors. Livent says it will

take until Halloween or later to complete an internal investigation and rewrite financial statements for 1995, 1996 and the first quarter of 1996. Livent says it is "too early to quantify the magnitude" of the changes, just worried shareholders that they are likely to see a big chunk of their equity disappear. Trading in Livent shares on the Toronto Stock Exchange and Nasdaq has been suspended. When trading resumes, the shares, which last changed hands for \$20 in on Aug. 30, are expected to fetch as little as \$5.

## FINANCIAL OUTLOOK

There were indications last week that the country's growth is slowing. The most bullish indicators from Statistics Canada were a drop in corporate profits and a decline in retail sales. Spending in retail sales fell 4.6 per cent in the second quarter following a 7.1 per cent decline in the first quarter. Reflecting the trend, TD Bank Financial Group reported that third-quarter earnings fell \$8 million, or 2.7 per cent, from the same period last year. At the Royal Bank, net income in the third quarter was unchanged from the previous

three months but eight per cent higher than the 1997 third quarter.

Retail sales dropped 1.7 per cent in June from the previous month. The figures surprised because sales had grown in April and May. Manufacturing shipments were

also off 2.9 per cent in June, largely because of the General Motors strike. Statistics Canada reported. But excluding the car industry, shipments rose 0.5 per cent from the previous month.

"The combination of con-



and low commodity prices, the recent approval of an anti-dumping duty and signs of an economic slowdown in both Canada and the United States will hold the pace of manufacturing activity in check over the remainder of 1998."

-TD BANK



# DIANA'S DRESSES

Don't miss this breathtaking exhibition of 28 exquisite dresses designed for and worn by Diana, Princess of Wales, acquired from her 1987 Christie's Auction for Charity. The Bay's Queen Street store has prepared the Thomson Gallery on the sixth floor for the sole purpose of showcasing this fabulous collection.

Indisputable proceeds from the Thomson Art Recovery Exhibition will support the charities she loved including Ovarian Cancer Research, Ontario Apple Tree for Senior Cancer Treatment and Research, Marlene Artter-Rosen Centre for Breast Bone Research and Research Centre for the Hospital for Sick Children. Special thanks to Canadian Pacific Railway's David Turk for their generous support.

TICKETS ARE LIMITED AND AVAILABLE ONLY AT THE ARTS CENTER AT 5 PM - AUGUST 31, 5:30 PM - SEPTEMBER 1, 5:30 PM - SEPTEMBER 2, 5:30 PM - SEPTEMBER 3, 5:30 PM - SEPTEMBER 4, 5:30 PM - SEPTEMBER 5, 5:30 PM - SEPTEMBER 6, 5:30 PM - SEPTEMBER 7, 5:30 PM - SEPTEMBER 8, 5:30 PM - SEPTEMBER 9, 5:30 PM - SEPTEMBER 10, 5:30 PM - SEPTEMBER 11, 5:30 PM - SEPTEMBER 12, 5:30 PM - SEPTEMBER 13, 5:30 PM - SEPTEMBER 14, 5:30 PM - SEPTEMBER 15, 5:30 PM - SEPTEMBER 16, 5:30 PM - SEPTEMBER 17, 5:30 PM - SEPTEMBER 18, 5:30 PM - SEPTEMBER 19, 5:30 PM - SEPTEMBER 20, 5:30 PM - SEPTEMBER 21, 5:30 PM - SEPTEMBER 22, 5:30 PM - SEPTEMBER 23, 5:30 PM - SEPTEMBER 24, 5:30 PM - SEPTEMBER 25, 5:30 PM - SEPTEMBER 26, 5:30 PM - SEPTEMBER 27, 5:30 PM - SEPTEMBER 28, 5:30 PM - SEPTEMBER 29, 5:30 PM - SEPTEMBER 30, 5:30 PM - SEPTEMBER 31, 5:30 PM

**AUG 22-4 OCT 1**  
**AT THE BAY**  
QUEEN STREET STORE, TORONTO  
INFORMATION LINE: 416-593-1000

Don't miss the  
**ENCORE Presentation**



**Sunday,  
September 6,  
1998, 8P 20N 18P/11N  
On**

The 9th Annual YTV Achievement Awards is a variety showcase of EXTRAORDINARY young Canadian talent.

Guests: 98: Mike Dozard, Mary Jane Lamont, Barbara Underhill, Meredith Henderson and John White ("The Adventures of Shirley Holmes"), Jay Baruchel ("My Roomtown"), Darin Love ("Secret World of Alex Mack"), Adamant Dave Williams, and YTV hosts, Andrea, Evan, Phil, Nick, Carrie plus FO, Katie and the Hazzards.



Join hosts **CAROLINE RHEA** (Gloria, the Thinking Man's) and YTV's own **SHAWN MAJUMDER** and **PAUL MAGUIRE**



Super Performer **ROBYN** and Serini, sponsored YTV's **POSSIBLE WORLD** **JUSTIN HINES**



**RACHEL WILSON** and **RYAN BOSCHING** (Pleasure Heart's) congratulate Acting Partner, **JACOB TIERNEY**



**10 GREAT MUSICAL PERFORMANCES!**

# NOMINATE SOMEONE GREAT

in one of these  
**15 categories:**

- Acting
- Band/Musical Group
- Bravery
- Business
- Dance
- Environmental
- Instrumental
- Innovation/Science & Technology
- Sports
- Terry Fox Award
- Visual Arts
- Vocal
- Writing
- Public Service
- Specialty Performance

Nominations must be 19 years of age or younger as of December 31, 1998.  
Qualifies Friday, November 5, 1998, at 4 pm (ET/PT).  
Prize: \$3,000.00 cash honorarium; an awesome YTV award sponsor merchandise; an all expense paid trip to Ottawa to receive your award on national TV, YTV's 1 year subscription to Maclean's and Maclean's Guide to Universities.

For more information check out YTV's website at [www.ytv.com](http://www.ytv.com) or e-mail to [aw.ytv@ytv.ca](mailto:aw.ytv@ytv.ca) or call us at (416) 530-5164

You can also pick up a Nomination Brochure at Public Libraries, CIBC branches, or your local Cable Company.

**Previous winners have included:**

Greg Mulholland, 17, President's Award 1998

Y-T Turner Band, 16, Group 1997

Project's End, 14, Specialty Performance 1998

Kevin Gould, 19, Environmental 1998



RECOGNIZING  
**ORDINARY KIDS  
DOING EXTRAORDINARY THINGS**



**10th ANNIVERSARY**



# Diana's Legacy



**SWEET NINETEEN**  
Prince William is still uncomfortable with the attention, but he has the same effect on crowds as his mother did.



**A year after Diana's tragic death, her memory lives on in a changing monarchy—and in her dashing son Prince William**

**H**e has her look, the one that gave her so vulnerable an air, that slow, sky-gazed glance from a devastated head. He has her eyes, too, blue as an English summer sky. The blond hair is the same, as is the quiet smile, the dead wolf, the long, lean figure. The resemblance is so startling, in fact, that it is sometimes a little eerie, as if Diana had not really died a year ago after a crash beneath the Pont de l'Alma in Paris. The son she left behind inherited much from his mother. And for supporters of British royalty, Prince William of Wales may become Diana's greatest legacy. Now 19, William is destined to ascend the throne one day, probably far in the future. But with the plentiful gifts bestowed upon him by his celebrated mother, William may soon have it in his power to sweep the cobwebs from Britain's monarchy, rescuing an old and creaking institution that not long ago was sliding toward oblivion.

There are already subtle signs of resurrection. The House of Windsor still has some way to go before it recovers from the years of scandal, the public bashing between Diana and Prince Charles, and, especially, the Royal Family's initial cool and slow reaction to the death of the Princess of Wales. But in the months since Diana met her ghastly end, the royal house has been relaxing, smiling and greeted by British Prime Minister Tony Blair's determination to "modernize" the monarchy. "A year ago, I would have rated the monarchy's chances of survival at no better than 50-50," says Harold Brooks Baker, publishing director of *People's Posters*, the authoritative guide to Britain's aristocracy. "Now, I'm convinced that there is a 70- to 80-per-cent chance the monarchy will be with us for many, many generations. And by that, I mean not only Charles and William, but their children and their grandchildren."

If the optimism is accurate—and recent public opinion surveys support it—the turnaround has been remarkable. Only a few years ago, the Royal Family's claim on the hearts and minds of Britain's people had plummeted to a low ebb, with poll after poll indicating that, for the first time ever, a majority—often a bare 52 per cent—had tired of the unending royal soap opera, concluding that the country would be better off with no monarch at all. As notable as the change itself are the forces driving it. Many, if not most, can be traced directly back to the late Princess of Wales. "The wrong," says Brooks Baker, "is that Diana, in life, nearly destroyed the monarchy. In death, she may have saved it."

Her influence, despite her passing, remains pervasive. It is the prime motivation, as even Buckingham Palace officials privately concede, behind the Royal Family's current campaign to broaden its public appeal. The effort is largely cosmetic, designed to shed the Windsors' image, acquired primarily at the time of Diana's death, as an uncaring, haughty coterie of overprivileged blue bloods, out of touch with the concerns of ordinary folk. The Union Jack now permanently flutters above Buckingham Palace is one result of the frenetic criticism the absent royal received for flying no flag at half-mast when Diana died (due to the tradition of raising a flag only when they are in residence). Another manifestation is the Queen's recent, surprising fondness for quick, heavily photographed visits to such places as a pub in Devon and a McDonald's fast-food outlet in Cheshire. "Diana is the catalyst behind all of this," concludes one royal



**BARRY CANE**

IN LONDON

# The royals aim to look more modern, more like Diana



counter. "The aim is to appear more modern, more accessible, more like everybody else."

In short, more like Diana. One leading member of the Royal Family is certainly benefiting from the princess's example: Prince Charles, after suffering years of opprobrium as a result of his fraught relationship with his former wife, is slowly working his way back into the British public's affections. That was confirmed last week by an opinion poll published in *The Guardian* daily. For the first time in four years of similar monthly surveys, *The Guardian* uncovered a majority—64 per cent—of those polled reporting that Charles would make a good king. Last October, the best he had in the throne could manage was a 40-per-cent approval rating, fueling widespread speculation that removing Charles from the line of succession might be the best way to ensure the monarchy's survival.

That idea may now be laid to rest, particularly if Charles's popularity continues to rise. But the thought might never have surfaced if the individual next in line behind Charles was not a tall, attractive youngster on the cusp of manhood, who astutely summons measures of Diana Beyond his good looks. Prince William has also inherited his mother's magic with a crowd. Any doubts on that score vanished last March, when William joined his father and his 15-year-old brother Prince Harry to sit the slopes at Whistler, B.C., and pay a two-day visit to Vancouver—his first official royal tour since his mother's death. Throughout the visit, William eschewed adoring crowds, especially the young girls. Thousands of adolescent females, many carrying flowers, turned up at every stop in an often desperate attempt to catch his eye, shake his hand, toss him bouquets. William, as he later confessed, found the attention a little unsettling. But he had better get used to it. For a skilled a champion into the future, towards a moment that is fast approaching when he will be asked to do his mother's public mantle.

**T**hat day has not yet arrived, however. And until it does, William, like his brother, Harry, remains largely screened from public view. Even London's eagle-eyed tabloids, always on the hunt for royal gossip, have kept their distance, at best something of a perfunctory. In the wake of Diana's death, Britain's newspaper editors reached an agreement with St. James Palace, the London residence of Prince Charles and his sons, aimed at sheltering the two boys from the sunbathing glare that dogged their mother's consort. With a few exceptions, the agreement has been respected. "There's a quiet go on at work here,"



**PERVASIVE INFLUENCE:** Diana sparked it at Washington gala in 1986 (opposite), and enjoyed sons Harry and William, with Prince Charles, in 1990

says Sandy Hennessey, Charles's principal press secretary. "If the media show more respect for the prince's privacy, they can expect our cooperation in a lot of other ways."

To date, that cooperation has been rather meagre, consisting principally of written answers by William on the eve of his 16th birthday last June 21 to questions submitted by the Press Association, a domestic wire service. Still, there were some intriguing, if innocuous, hints about the character of the future King of England. "He carries across quite sympathetically," wrote the Press Association's Peter Archer, "an thoughtful, sensitive, with an artistic flair."

Not surprisingly, William said he wants to maintain the curtain of privacy that has so far shielded him from the full media spotlight. His tastes are typically adolescent. He loves fast food. He listens to techno-music, especially bands like Prodigy and Rachehead, and can play computer games, even though he does not possess a computer of his own. While he liked *The Fast Forward*, his preference is in movies and books to trade towards action-adventure. Unlike his father, who has never had to even carry mail, William buys his own everyday clothes. But he does share with Charles, and most of the rest of the Royal Family, a love of horses and what the English gentry are fond of describing as "field sports"—hunting and fishing. He confessed to being particularly anxious of brother Harry, who got to go on a safari last year when he accompanied his father during an official visit to southern Africa.

On one exciting subject, of course to most 16-year-old boys, William remained stubbornly mute. He refused to discuss girls, not even the claim that there is a poster of model Christie Brinkley on the wall of his room at Highgrove, Prince Charles's country residence in Gloucestershire. He is uncomfortable with the kind of ad-

dition Canadian teenagers showered on him. While there have been unsubstantiated reports that William has been glimpsed at least twice on dates, another the prince has his entourage are about to confirm that gossip. In fact, St. James Palace was quick to react this summer when London's *Mail* on Sunday reported that a female who happened to catch William's eye was asked to tea—but only after first being carefully vetted by the family. The palace appeared to Britain's Press Complaints Commission, describing the report as not only "turbidly inaccurate" but also "grossly libelous." The commission agreed, and the *Mail* on Sunday apologized.

William may only be 16, but he clearly has some clout. By all reports, he both loathes and fears the media, subscribing to the view that the press played a significant role in his mother's death. Certainly the past year cannot have been easy for him as he struggled to come to terms with his grief. In public, however, he has never betrayed any sign of undue distress. On the contrary, he often exhibits a maturity beyond his years. It is, no doubt, partly the result of the trauma he has experienced. But, according to one friend of the family who has encountered him on several occasions, it is also due to traits he has inherited from Charles. "He may look a lot like his mother," says the family friend, "but don't forget that he's a Windsor, too. And that clan knows a thing or two about duty and discipline."

If his academic record is any measure, William is more his father's son than his mother's. He may, in fact, be the brightest royal in centuries. "He's deep," as his mother once said. At Eton, the supermyst private school outside London, William is regarded as an excellent student, particularly strong in English, and a skilled athlete, especially in the swimming pool. He sailed through examinations last spring, and this fall will concentrate concurrently studies in geography, biology and art history. As yet, William has not decided what university he will attend. Harvard, his mother's choice, is a possibility. But most royal watchers expect that he will follow in his father's footsteps and attend Cambridge.

William is now far more a part of his father's world than he was when his mother was alive. He and Harry moved out of London's Kensington Palace after his mother's death and now live with their father, in the country at Highgrove in Gloucestershire. The estate is not only adjacent to the manor of rooms occupied by Charles at St. James Palace. Along with the manor, William and his brother have been unceremoniously drawn into the orbit of Charles's circle of relatives, friends and employees. William has struck up a close personal relationship with Prince Anne's two children—Peter Phillips, 20, and his 17-year-old sister, Zara. Tony Legge Boote, the best-known 33-year-old among William's so-called aunts, is back. And, more delicately, another old enemy of Diana's—Charles's ex-fiancee, Camilla Parker Bowles—is beginning to edge into the picture.

The 56-year-old Parker Bowles, formerly described by Diana as "the Bitchwife," who was largely responsible for wrecking her marriage to Charles, turned up at Highgrove on July 31. She took centre stage among 100 guests, including comedians Rowan Atkinson, actors Emma Thompson and Stephen Fry, on-king Constantine of Greece and a parcel of senior British royals. All had been invited by William and Harry for an early celebration of Charles's 50th birthday, held weeks before the actual event in November to avoid conflicts with various royal schedules. Originally, the party was





## Clues from victims of the 1918 flu

A four-nation team led by Kirsty Duncan, a medical geographer at Ontario's University of Windsor, created a large tent and housed in heavy equipment as it prepared to dig up gravesites for the bodies of six civil servants who perished in the Spanish flu epidemic of 1918-1919. The goal: to crack the genetic code for the virus that killed an estimated 30 million people. The graves are buried on the island of Svalbard, 570 km north of the Norwegian coastline. The team, which includes researchers from Canada, the United States, Britain and Norway, hopes to find enough viral material to construct a genetic profile of the killer—which could explain why the virus was so deadly. Team members said it was unlikely the strains survived—but as a precaution workers wore protective clothing and oxygen tanks.



**PUFFER REPLACEMENT?** Children who rely on inhaled medication to control their asthma can try a new easy-to-use remedy—a Canadian-developed asthma drug that sufferers over the age of 6 can take as a chewable, cherry-flavored tablet. Singulair, developed by researchers for Novartis-based Merck Frost Canada Inc., is the first of a new class of asthma drugs to be approved by Health Canada for use by children. The remedy, also available as an unflavored pill for adults, blocks body chemicals that play a key role in restricting asthma victims' airways. Company officials said that in a trial study, 40 per cent of the patients taking a Singulair tablet once a day were able to stop using inhaled corticosteroids, which can hamper growth. But experts said that many patients would probably have to continue using puffers along with the new pill. Canada has an estimated 1.5 million asthma sufferers, about a third of them children.

## Changing course on hormone therapy

Hormone replacement therapy—widely thought to protect older women from heart disease—does not in fact prevent heart attacks or death among women with cardiac problems, an American

study has shown. Doctors in a scare of centers divided 2,765 postmenopausal women with heart problems into two groups—one whose members were given estrogen and progesterone, while those in the other group took placebo. According to a report in the *Journal of the American Medical Association*, the women given hormones actually showed

an increased risk of heart attack in the first year of the four-year study. By the final six months, there was no significant difference in the number of heart attacks and deaths as the two groups. Experts said doctors should not prescribe hormone therapy for women with heart problems until larger studies of the therapy have been completed.

## Doctors versus politicians

Federal spending cuts have ignited a "crisis of confidence" over the future of Canadian health care and led to "confusion and anxiety"—and even the threat—warned politicians on whether to let surgery and other medical services, a Canadian Medical Association document charges. The document says the spending in health care

has declined in the last decade, and has resulted in "an erosion of political support for health care," forcing patients and private insurers to pay for services, including some prescription drugs and medical services, no longer covered by medicine. The report was prepared as a discussion paper for the CMA's annual meeting, beginning in Whitehorse on Sept. 6.

## A new aid to quit smoking

The first nicotine-free prescription medication used to help smokers kick the habit is now available in Canada. According to Mistrust, Ont.-based Glaxo Wellcome Inc., which distributes the drug, Zyban helps ease the withdrawal pains associated with quitting cigarettes by boosting the same brain chemicals—dopamine and norepinephrine—responsible. The company claims that follow-up studies on patients who used the drug in clinical trials showed that Zyban was nearly twice as effective as a nicotine patch in helping them to stay off cigarettes. Using the drug costs about \$1.60 a day—or \$50 for a typical seven-week course of treatment. An estimated 6.4 million Canadians, or 27 per cent of the population over 15, are smokers.

# EXPLORE!



ISBN 0-7710-3711-9

ISBN 0-7710-3712-7



THE CANADIAN PUBLISHERS' ASSOCIATION  
**McClelland & Stewart**  
1998 PUBLISHER OF THE YEAR

The **1999 Canadian Encyclopedia World Edition** makes the international connection to your home or office. The 2 (0-7710-3711-9) contains the *Canadian Encyclopedia*, the full world reference, and more than 91,000 articles, boxes of facts and video clips, maps, charts and animations. Books give you Days & Times of the Past, History, a Timeline, English-French dictionary, and much more. With its Internet updates and links, the **1999 Canadian Encyclopedia World Edition** is a whole world of information and entertainment.

The **1999 Canadian Encyclopedia Student Edition** is the essential first encyclopedia for every Canadian child in grades 3 through 8. Its clear language and easy-to-use features make it ideal for school projects—in answering questions about Canada. It contains over 4,000 articles, boxes of multimedia, photos, signed artwork, video and sound. Even if you already own another encyclopedia or CD-ROM, the **1999 Canadian Encyclopedia Student Edition** belongs in your home!

Available at bookstores, department stores and all major retailers everywhere.



McLaughlin (left), Ellen A.K.A., Melissa Boush: Blissed-out collaborators

## A fair to remember

**A** larger, louder, more lucrative *Leif's Fair* has been winding its way across North America this summer. The all-women's music festival, conceived and headlined by Canada's Sarah McLachlan, has added more dates, more bands and more funk in its second year, attracting critics who charged that last year's lineup was a whitebread affair that leaned too heavily on sensitive singer-songwriters. So far, the current tour has included alternative rockers Luscious Jackson, rapper Missy (Hustler's Sister) Elliott and blues and country women Bonnie Raitt and Emmylou Harris. By the time it winds up in Vancouver on Aug. 31, following stops in Calgary (Aug. 28) and Edmonton (Aug. 29), more than 170 artists will have performed for 800,000 people at 57 concerts (22 more than last year). That means big bucks for *Leif's* backers—McLaughlin and her three partners. But it also means more money for a network of women's charities, which will receive more than \$8 million through ticket surcharges and corporate sponsors.

Interestingly, McLachlan's partners are all men. New York-based booking agent Marty Diamond and the singer's Vancouver-based

managers, Dan Fraser and Terry McBride. "These three men," McLachlan told a Toronto press conference prior to two sold-out shows there earlier this month, "superbend the whole experience. They're the men that have the experience in the music industry of dealing with the other agents, managers and promoters." While McLachlan acts as headliner and chief spokeswoman, the others have clearly defined roles as well. Diamond negotiates the contracts and coordinates the touring schedule. McBride, a computer whiz, handles the tour's marketing. And Fraser oversees production, ensuring that the 40 vehicles, 240 crew members and 55 tonnes of equipment actually get from city to city.

Backstage at the Toronto show, the scene was more serious health spa than macho rock fest, as performers treated themselves to fresh fruit smoothies and the services of the tour's resident massage therapist. There was one major glitch when singer Paula Cole failed to show up on stage for a guest spot with *Leif's* founder. "Last time I saw her she was getting a massage," explained a pal

named McLachlan. "Maybe she's fallen asleep." What has kept audiences awake throughout much of the tour has been the surprise-collaborations, the swashbuckling of the rodeo harmonies of Harris on McLachlan's songs, Raitt and Cole joining forces for a bluesy version of Tom Waits's *Jerry Curl* and N'Dea Davenport adding a soulful edge to Natalie Merchant's *Break Here Again*. Merchant has become one of *Leif's* biggest believers. "There's a sort of utopian atmosphere backstage which I've never experienced before," said the former 10,000 Maniacs vocalist. "We share the 1970s/80s love but it didn't have the same powerful ideology behind it—either strong philosophical or not." That power has been evident each night when the whole cast comes together, love-in style, for a rousing version of Marvin Gaye's soul classic *What's Going On*—another blissed-out finale to the band of Leif.

Now that her event has forever changed the landscape of summer rock festivals, making testosterone-driven events like this year's Quake! (Queensrÿche, Megadeth, Tool and others) seem pale by comparison, the question McLachlan has been dodging is: whether *Leif's*? Perhaps that has something to do with the singer's admitted desire to start a family



McLachlan: A larger, louder, more lucrative festival, with one of her baby boys, this fall. Her first this week

with her drummer's husband, Josh Seid. Pregnancy and touring are difficult on the schedule. McBride, a computer whiz, handles the tour's marketing. And Fraser oversees production, ensuring that the 40 vehicles, 240 crew members and 55 tonnes of equipment actually get from city to city.

Backstage at the Toronto show, the scene was more serious health spa than macho rock fest, as performers treated themselves to fresh fruit smoothies and the services of the tour's resident massage therapist. There was one major glitch when singer Paula Cole failed to show up on stage for a guest spot with *Leif's* founder. "Last time I saw her she was getting a massage," explained a pal

NICHOLAS JENNINGS

Now you can have a single number for your home office and your wireless phone. Just when you finally memorized that wireless number.



SimplyOne



ONE NUMBER.

ONE VOICE MAIL.

ONE LONG DISTANCE SAVINGS PLAN.

ONE BILL.

A small percentage of the population have photographic memories. For the rest of us, there's *SimplyOne* service from Bell. Aside from giving you one less phone number to remember, *SimplyOne* is just a better way to stay connected. It works like this. Calling at your home office best. If there is no answer, the call is forwarded to your *SimplyOne* service compatible wireless phone. If you don't answer it there, it goes into your voice mail. It's that simple. Not only do you have just one phone number and one voice mail, you receive just one phone bill, on which you'll notice the Bell long distance savings plan you subscribe to applies even on wireless calls. If you own a wireless phone already, ask your Bell representative if it can be reprogrammed for *SimplyOne* service. To find out more, go to a Bell *SimplyOne* store or visit our website, or memorize this toll-free number: 1 877 SIMPLY1 (746-7391) and call us today.



Visit your Bell Representative store today: [www.bell.ca/simplyone](http://www.bell.ca/simplyone). Connect to all the things that matter.

\*Available in single-line wireless and business markets where technology exists. \*\**SimplyOne* is a trademark of Bell Canada.

©2000 Bell Canada. All rights reserved.



# Getting Out Of The Rough Is As Easy As A Golf Swing

## The John Stall Golf Marathon 100 Holes Of Golf

In Support of Operation Springboard

September 14\*, 1998

Caledon Country Club

Springboard is a charity working with kids and adults who are at risk or who have been in trouble with the law. Money raised through the marathon helps us work with over 8,000 people every year - helping them to find work, a place to live and build a new life.

Call Bert Steensburgh at (416) 367-4288 ext. 219 to get involved.

Partners For  
A Safer Community



## Sweet and sour sex

In the summer, Hollywood seems determined to reduce us all to children. But come with the season of over-theated blockbusters winding down, here are two smart little movies for adults that break the summer sapper with the zip of a cool night breeze. Both are sharply original character-driven stories by young American writer-directors. Both are sex comedies, and both are about enlightenment. But they are wildly different. *Shave of Beverly Hills* is the tale of a teenage girl discovering her sexuality in the crowded confines of a seaside, single-dad family in the 1970s. It is a comedy of compassion—a funny, truthful coming-of-age memoir. *New Friends & Neighbors* is a comedy of cruelty—a savagely critical portrait of six teenagers negotiating adolescence.

*Shave of Beverly Hills* is much easier to take. It begins with that legend: Betty White about unhappy families all being unhappy in their own way. And as America reels from the tawdry saga in the White House, it is refreshing to see a movie that can tackle sex and family in the same breath without sliding into a moral abyss. Vivian (Anastasia Lyarra) is a 15-year-old struggling with her coming-of-age in a family where she is the only female. Her divorced father, Murray (Alan Arkin), is a down-on-his-luck salesman struggling to retain his dignity, and his 90210 up code. He drags Vivian and her two brothers from one squalid apartment to another, often moving in the middle of the night to avoid the rent, while insisting that their address remain within the city limits of Beverly Hills—because of his school.

We follow Vivian's hesitations as her father dares her to buy her first bra, and, as she boldly takes it all for the boy next door, a fresh-faced elite dealer who is obsessed

with Charles Manson. Vivian's sex education then shifts into overdrive when her wild, drug-addicted cousin, Rita (Marissa Tomlin), comes to stay. The humor in *Shave* is a natural result of the director's own adolescence in the low-rent reality of Beverly Hills. And these realistic underpinnings show—in the lascivious details, in the sudden bursts of pathos and in the well-drawn characters.



Scene from *Shave of Beverly Hills*; Brennan, Eckhart (top) and, original

Lyarra is a delight in the lead role. (As the adolescent who will not say die, Arkin proves that he is one of the most underrated actors in America.) *Shave* subverts the film's one cartoonish role with a frisky authenticity. And as a mean-spirited uncle, Carl Reiner delivers a knockout career, a dramatic scene that underscores the humor with a wistful edge. Directing with style and voice, Jenkins has created a crowd-pleasing comedy that taps emotional depths without sentimental trickery. And it portrays a neighborhood rarely seen in the movies—the crusade between a girl coming of age and a male father who is simply afraid.

*Your Friends & Neighbors* is not an apologetic, childless world of middle-class achievers trying to upgrade their sex lives. While *Shave of Beverly Hills* is about a young woman who is worried about her breasts (too large), this movie is about men who fret about their penises (too small). And in the Bull-and-Moose era of gratuitous nudity, it strikes a disturbing chord—a story of anyone who with blooming sex drive and the misguided women who end up with them. Director Neil LaBute made

### FILM



Brian D. Johnson

an acidic splash with his feature debut last year, a stunner little black comedy called *In the Company of Men*. Its scenario, in which two male managers compete to take advantage of a dead tycoon, had critics arguing over whether it was lewd or misogynist. *New Friends & Neighbors* pursues similar themes on a broader canvas.

Once again, while the director's sympathies appear to be with the women, *Shave* serves as a satirical X-ray of male sexuality. An ensemble cast of three men and three women play out the script's psychological anatomy. But the men are clearly in the foreground. They are specific types: Jerry (Ben Stiller) is an academic who is leery of sex to seduce his crush's wife, Mary (Betsy Arkin); Richard is Mary's genuinely insecure husband. And Cary (Jason Patric), a physician, abuses women with predatory gleam. As for the women, Mary (Anastasia Lyarra) is flattered by the offer of adultery. And Jerry's bitchy girlfriend (Catherine Keener), who can't stand his habit of talking during sex, tumbles into a bedroom affair with an any-body employee (Matthew Knutson).

Shot entirely indoors—often within bedrooms, drug stores—LaBute's narrative feels like a series of connective tissue. And often his best-on-dare situations seem inauthentic, especially Cary's shocking confession. But what is darkly satisfying about the film is that it consists entirely of dialogue, of relationships being constructed. Recalling the cruelty of *Crumb* (Rosenfield) and the farcical of *The Decline of the American Empire*, LaBute's dry script has an insider's charm. With friends and neighbors like these, who needs enemies?



Traders' cruise ship, says Asper handles

## Global domination

**I**t was like a scene from *Thriller*, Global TV's popular crime about life in Bay Street's bar. Only this time, the star of the show was Izzy Asper in the role of the sheriff and southern chief executive. Across a boardroom table last week, the 40-year-old Asper, who is the CEO of the Calgary headquarters of Shaw Communications Inc., the chairman of Winnipeg-based CanWest Global Communications Corp., had it out with Shaw's top executives. For four months, the two sides had traded bitterly over control of WIC Western International Communications Ltd. of Vancouver, a lucrative prize that CanWest has long coveted. And this time, Asper refused to let WIC slip away. Nine hours after arriving in Calgary, he and his son David had hammered out an agreement with Shaw president Jon Shaw Jr. and John Casaday, head of broadcast operations. "I think everyone was getting tired of all the arm wrestling," says Asper. "I got to the point where it had to get done."

The \$890-million deal, which finally gives CanWest a presence in Alberta with four stations, puts the 40-year-old Asper closer than ever to his 19-year dream of owning a national network. In fact, the new CanWest could surpass CTV as Canada's largest private broadcaster in terms of ad revenues

And it may be about to get bigger. As the deal was drying on the agreement with Shaw, his reports reported that CanWest is about to fork out another \$900 million to buy NetStar Communications Inc., the Toronto-based owner of such specialty channels as The Sports Network and the Discovery Channel. The acquisition fits



### Izzy Asper may soon have his national network

Asper-aspirations were 'need of the own evening'

perfectly with Asper's goal of transforming CanWest into a more diversified, nationwide company. "I've always said every company should reinvent itself every 10 years," Asper told *Maclean's* last week. "Otherwise, it fails."

For TV viewers, Global's new national status will mean more Canadian programming. For years, it has been the butt of in-

terious criticism for failing to spread stories on domestically produced shows. Some of the programs it has helped fund, such as *Thriller* and *Ready or Not*, a show for teens, have won critical praise. But because it is licensed by the Canadian Radio-television and Telecommunications Commission on a broad-casting system made up of local stations, and not a formal network, Global is not required to spend as much on Canadian production. Last year, Global devoted 18 per cent of its revenue, or \$67 million, to programs produced in Canada, compared with \$147 million for CTV, or about 33 per cent of its revenues. The proportion of popular American fare on Global—such shows as *Survivor* and *Friends*—has helped make CanWest Global the country's most profitable broadcaster, with net income last year of \$143.8 million, a 50-per-cent jump from 1996. "It looks like Izzy Asper is about to be dragged kicking and screaming to do more for Canada," says the president of spokesman for Friends of Canadian Broadcasting, a lobby group.

But serious hurdles stand in the way of Asper's national dream. Both the WIC and NetStar deals will have to pass muster with the CRTC. A decision on the WIC deal could take as long as a year, says Asper. Both deals will also have to be approved by the federal government, which has to ensure that the deals do not harm the public interest. "We're in a bit of a bind," says Asper. "We're in a bit of a bind."

But serious hurdles stand in the way of Asper's national dream. Both the WIC and NetStar deals will have to pass muster with the CRTC. A decision on the WIC deal could take as long as a year, says Asper. Both deals will also have to be approved by the federal government, which has to ensure that the deals do not harm the public interest. "We're in a bit of a bind," says Asper. "We're in a bit of a bind."

## Finally—a "cure" for bad breath!

For years, the cause of chronic bad breath has been undiagnosed, but a dentist's research has led to Therabreath™, a dramatic treatment system that works naturally and effectively.

by Joann Williams



These days, people spend a great deal of time on their health and fitness. Exercise, nutrition and an emphasis on general wellness are important to people not only for medical reasons, but for social ones as well. Everyone wants to feel and look their best. Unfortunately, many people around the world suffer from a condition that cannot be cured at a health club, spa or even a hospital, chronic bad breath.

It is estimated that over 100 million people worldwide suffer from bad breath, or halitosis. In the past, treatment has consisted of masking the odor with mouthwashes or mints, brushing the mouth with alcohol-based rinses or the latest cream popping pills that claim to cure the problem in the stomach. None of these treatments work, because halitosis is caused by bacteria on the back of the tongue and upper throat that produce noxious gases. The way to stop bad breath is to stop the process, and this is the secret behind the revolutionary Therabreath™ system.

**You're the last to know.** Because halitosis originates in the mouth, it is virtually undetectable by your own sense of smell. You may appear to be healthy, and taste in your mouth or a whitish coating on the back of your tongue, but you yourself may find out there's a problem when a family member, friend or co-worker brings it to your attention. At that point, you need an effective, long-lasting and easy to use method of eliminating the problem. Without proper treatment, chronic bad breath can lead to a loss of confidence and self-esteem, and it can even result in depression.

The problem can adversely affect your marriage, social life, career and relationships with family members. What's needed is a quick and effective treatment that works naturally with no side effects.

**A scientific solution.** As a dentist with a degree in bacteriology, Dr. Harold Katz has been keenly aware of the underlying nature of this problem. It was not until his daughter came to him about her halitosis, however, that he began to research the problem in earnest. His studies led him to an amazing discovery about the source of bad breath: it does not originate in the digestive system, as the food you eat has no direct effect on your breath.

Certain foods, however, contribute to the production of noxious gases in the back of the mouth. Acids also collect and protect in their products exacerbate the problem. Mouth and mouthwashes can irritate the mouth or prevent bad breath naturally remove the condition because sugar and alcohol on the mouth. Many common medications for everything from high blood pressure to depression have the same drying effect, leading to the formation of acid in the mouth. Mouthwashes and dry mouth conditions these problems that we fall for all. Some treatments of halitosis combine sodium lauryl sulfate, which can cause cancer, with other chemicals to mask the odor of the mouth. These bacteria will break down proteins and transform them into acids, which create odor and bad taste.

**HOW IT WORKS**  
We all have natural bacteria that live on the back of the tongue and in the digestive tract. Under certain conditions, these bacteria will break down proteins and transform them into acids, which create odor and bad taste.

**Before/After**  
These photographs are before and after the use of the Therabreath™ system. The "Before" photo shows the back of the tongue with a thick coating of bacteria. The "After" photo shows the back of the tongue clean and free of bacteria.

**Day-by-Day™ (A Proprietary) Chewing System.** This active ingredient in Therabreath™ transforms these odor-causing acids into a solution, which has no taste or odor.



**effects:** These products are all-natural and supply introduce a greater amount of oxygen into the mouth's chemistry.

**Try it risk-free.** The Therabreath System is an effective, safe and easy-to-use solution to a troubling problem, but doesn't just take our word for it. Try this product for yourself with our risk-free guarantee. If you are not fully satisfied, just return it within 30 days for a full refund.

**Dr. Katz.** Our son has had a breath problem for years. He had mouthwashes and mints. We took him to doctors and dentists, and even had his tonsils removed. Nothing worked, until we tried your product. I am so thankful and grateful that you found the solution to his problem. You'll never know how much you changed his life!

—M.C., Los Angeles

**Therabreath™** \$29.95 (120-1104)

AD: 100-1104 (120-1104)

Please mention promotional code 3006-1204

For fastest service, call 1-800-992-2966

800-992-2966

By order by mail, send check or money order for the full amount including GST. Delivery is by registered mail. Please allow 4-6 weeks for delivery. Please allow 4-6 weeks for delivery.

**combined**  
120-1104 (120-1104)

2000-2001 World's Best  
100-1104 (120-1104)





# Peter C. Newman

## We have to make way for 'the Third Way'

**W**atching Bill Clinton's confessional firework that last week, I was reminded of an earlier version of this political circus, when his aide, Hillary, blamed the whole scandal after an "a vast right-wing conspiracy."

She knowingly made the point that it's far too easy, and just about meaningless, to dredge up the old-fashioned "right," or for that matter, "left" wing stereotypes.

What we need is new stereotypes, new definitions to fit the times. Without them, we're stuck with the dismal realization that the only people who can resolve the financial and political mess we're in are the same people who created it—using the same exhausted ideologies.

Maybe it's religious fervor, but with the 21st century only 36 months away, Canadians are hoping that what comes next will be better, or at least different, than what we've had until now. Part of that impulse is to stop pretending that the future will merely be an extension of the past, but to reach out instead and capture new thoughts and new directions. In politics, the search is on to define third-stream ideas that fit between socialism and social democracy on the one hand, and conservatism and the free market on the other. To feel that we have no choice but to settle for either one of those extremes is the equivalent of believing in the practice of morality at the White House or originality of thought at 24 Sussex Drive.

The alternative is a brand new approach being called "The Third Way," which is slow by emerging in Canada, the United States, and, especially, Britain. It followed, it promises to modernize everybody's political agendas.

Like most political innovations, the Third Way is difficult to define, except through its most successful practitioners, mainly British Prime Minister Tony Blair. Elected on a Labour ticket, he has an unusual social investment (state support for higher education and retraining) instead of perpetuating the social-to-wealth welfare state of his left-wing predecessors. He has been successful and has won generous approval ratings because he doesn't perpetuate political clichés, but claims that some rights for left according to each new situation. The issue is being fully debated by British political observers and has been taken up by several leading U.S. intellectuals.

The only Canadian politician ever vaguely following such third-way options is Finance Minister Paul Martin, whose recent campaign funding education while retreating on cutbacks to old age pensions fits the pattern perfectly. If he ever gets the chance to be prime minister, Martin would quickly be labeled as the Tony Blair

of North America. (Another Third Way doctrine is government intervention, not as a blanket option but as a way of helping individuals deal, on a selective basis, with the problems of coping with a globally oriented and managed economy. That's a position both Martin and Blair support.)

What both men—and other enlightened politicians—worry about is how their countries can adjust to a global economy whose geopolitical boundaries transcend the boundaries of nation states. The existing web of regulations that maintain an uneasy equilibrium between individual rights and collective rights and responsibilities too easy to ignore in the international marketplace. Capital investment is mobile and mobile, if regulations restrict profit opportunities in one province or country, or even continent, the funds—and jobs—are moved to another. What's required is a global regulatory approach, particularly in the environmental and labor code areas—and that's among the most urgent of the Blair/Martin current priorities.

The Third Way does acknowledge the significance of money and money—or their absence—but adds that, unlike the previous version of the world, they are not everything. "The notion of money assumes the economic place once occupied by the Catholic Church," writes Lewis H. Lapham, editor of *Harper's* magazine, "and within this sacred estate everybody always the same: born and pays homage to the same powers." In the Information Age, more and more of what happens in work and life is polarized between the poor and the rich, those who travel the information and those who become its main kill.

Even the most ardent supporters of this third option have a tough time defining it. That being said, new world liberals neither the would-be liberal ideas of the left nor the free market on the right. Meanwhile, if we don't find a new formula soon, we'll run out of both compassion and dollars.

Many of the progressives involved in the discussions and seminars studying the Third Way do not necessarily agree with how it is being implemented. Says former U.S. labor secretary Robert Reich, one of the more vocal critics: "The fear is that Tony Blair, instead of charting a Third Way, will turn the progressive left into a tail wag and the little to rectify the social injustices experienced by nations everywhere."

That's certainly dangerous, and it's too early to predict exactly what shape and significance this third stream will acquire. But as *The Washington Post's* E. J. Dionne, who has been analyzing the phenomenon, reported recently: "The reason many alternatives to the efforts of Third Wayers is accommodated and reform the free market at the same time. It's an idea whose time may have come, simply because the other ideas don't work any more."

Exactly. A third stream is better than no stream at all.

Some calls are too important to make on an average phone. With their sleek, state-of-the-art

batteries, the Nokia 6110-series phones give you that extra boost of power so you're

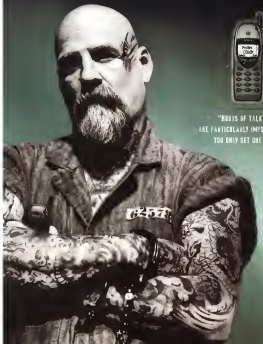
not constantly having to recharge. They also sport a pager function, calendar and alarm clock, along with four built-in

games — so when you've got time on your hands, we've got what you need. 1-888-OK-NOKIA www.nokia.com

**NOKIA**  
CONNECTING PEOPLE



"HOURS OF TALK TIME  
ARE PARTICULARLY IMPORTANT WHEN  
YOU ONLY GET ONE CALL."



**Only Polaroid has a digital solution that makes identifying the deadly *Galerina autumnalis* in time to rescue a quickly deteriorating 43-year-old hiker this simple.**



**1:31 pm** Earlier today, Brian Baxter was hiking. Now his body's battling an unknown invader. A friend says that Brian's a mushroom expert, but he obviously made a tragic mistake. Because after this morsel, he went pale and collapsed. Here's the photo.



**1:32 pm** To help save her patient, Dr. Vicki McCoy needs to know exactly what she's dealing with. She orders a scan. Scan the picture and get it to the Poison Control Center. Lucky for Brian, the clinic has Polaroid's DirectPhoto software.



**1:39 pm** Checks later, the photo is scanned and e-mailed to the experts at Poison Control. That simple. That fast.



**1:54 pm** Crisis The file arrived, but Poison Control doesn't have the application. He tries it anyway. Incredibly, the picture opens. (He'll find out later that the file carries its own DirectPhoto software - just in case).



**1:59 pm** Critical Care gets the call just in time. The scan confirms it. It's *Galerina autumnalis*. Common. Deadly. But treatable.



**Dinnertime.** Well, no shrooms on tonight's salad. Maybe never again. But Polaroid's InkJet paper does make a memorable card. Yeah, it's good to have a friend you can count on. And Polaroid? Well, it's always been a bit of a miracle.



The digital solution from Polaroid - instant camera, Spectra instant film, and DirectPhoto software.

Polaroid DirectPhoto software is available for PC-compatible computers and peripherals. Dramaticized only.

**1 800 308-3297**

For more information.

**Polaroid**